



Daily Report

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General

Christopher on 'Progress' in Bosnian Peace Talks

OW2503224393 Beijing XINHUA in English 2155
GMT 25 Mar 93

[Text] Washington, March 25 (XINHUA)—U.S. Secretary of State Warren Christopher said here today that peace talks between the warring factions of Bosnia-Herzegovina "is moving in a more favorable direction."

In reference to European Community envoy Lord Owen's remarks that differences between the warring sides were "irreconcilable," Christopher told a hearing of the foreign operations subcommittee of the House Appropriations Committee that "by the end of the day he may be shown to have been too pessimistic."

And progress did emerge by the end of the day, literally, at the United Nations when the Bosnian Muslims signed on a peace plan put forward by Owen and U.N. mediator Cyrus Vance, leaving the Bosnian Serbs the only party who has not fully endorsed the peace package.

On Wednesday evening, U.S. President Bill Clinton indicated in a television interview that "if the Bosnians (the Muslims) and the Croats sign and the Serbs don't, we think we are going to have to look at other options to get the Bosnians to defend themselves."

Clinton didn't elaborate on how the U.S. can help the Muslims defend themselves, but White House Spokesman George Stephanopoulos said today that "we are considering a lot of options."

"The President has continued to review options for tightening the sanctions and increasing the pressure on the Serbians if they refuse to sign," Stephanopoulos said.

During today's hearing, Christopher also said the adoption of a resolution in the Security Council on enforcement of the U.N.-sanctioned "no-fly zone" over Bosnia will take "a very short time."

The United Nations authorized the "no-fly zone" last October but didn't provide any enforcement mechanism.

Washington has been pressing for military intervention of the flight ban but Britain and France, which have ground forces under the U.N. inside Bosnia, are unenthusiastic for fear of endangering their nationals.

Russia, which has traditional links with the Serbs, is also very careful of the option.

UN Security Council To Decide on Croatia

OW2603043993 Beijing XINHUA in English 0342
GMT 26 Mar 93

[Text] Belgrade, March 25 (XINHUA)—An official of the U.N. Protection Force (UNPROFOR) in the former Yugoslavia said here today the U.N. secretary-general

will submit a report to the Security Council on Thursday or Friday [25, 26 March] on extending the UNPROFOR's mandate.

The area protected by the UNPROFOR covers the Republic of Serb Krajina (RSK), a Serb populated area in Croatia, and the UNPROFOR's mandate expires on March 31.

UNPROFOR Director of Civil Affairs Credric Thornberry told a press conference that the Croatian and Krajina Serb representatives were close to reaching an agreement at their Geneva negotiations on a ceasefire in the southern part of the RSK.

However, Croatian troops were concentrating in the RSK and had stepped up artillery shelling of Serb towns and villages which forced the Serbs to pound at Croatian towns in counter attacks, Thornberry said.

He warned that the continued fightings would make it impossible to conclude any ceasefire agreement.

He also expressed concern over the "ethnic cleansing" in the area.

Commenting on the situation in Eastern Bosnia, Thornberry predicted that the Serbs would possibly capture the region within 15-20 days if their offensive was not stopped.

This would disrupt the peace plan proposed by international mediators Lord Owen and Cyrus Vance, under which eastern Bosnia is designated as a Muslim province, he said.

Thornberry also described the situation in southern Bosnia as "very dangerous and unstable". He said the coastal city of Dubrovnik was exposed to artillery fire last Tuesday [23 March].

Asia-Pacific Human Rights Forum Opens in Bangkok

OW2503044593 Beijing XINHUA in English 0358
GMT 25 Mar 93

[Text] Bangkok, March 25 (XINHUA)—Over 100 representatives from Non-Government Organizations (NGO) of Asia and the Pacific region gathered here today for a four-day human rights meeting to seek the establishment of effective mechanism to promote human rights in the region.

The meeting, named the Asia-Pacific Human Rights NGO Conference, precedes the Asia Regional Preparatory Meeting on Human Rights here from March 29 to April 2.

During the four-day meeting, the participants will finalize a report on the Asia human rights situation, make suggestions on an action plan for regional human rights improvement and submit them to the Asia regional preparatory meeting for consideration, sources at the meeting said.

All the NGO representatives will be invited to attend the regional preparatory meeting, the regional gathering for the Second World Conference on Human Rights scheduled for June 14-25 in Vienna.

Foreigners Give Views on PRC's 'Opportunities'

OW2603105493 Beijing XINHUA in English 0752
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—A long-term perspective is crucially important for China in seizing favorable opportunities for rapid economic development, according to foreign personalities, who closely follow events in China.

In separate interviews with XINHUA, several residential foreigners in Beijing stressed the importance of domestic environment and policies for what the Chinese are talking about as "seizing opportunities."

E.C. Hua, a senior economist with the World Bank's mission in China, said the end of the cold war has ushered in a favorable international environment for economic development.

China's "great success" in more than a decade of reform and door opening has built a good foundation for further development, he said.

Pak Chan-hyuk, director of the Korea (Republic of Korea) Trade Center in Beijing, said the Asia-Pacific region will become a center of the world economy at the turn of the century, a trend that will bring even more opportunities for China's development.

Citing ROK's experience of economic development, Pak urged China to better its investment environment allowing for "an effective role" of foreign-invested businesses.

"This will lead to a quick utilization of foreign advanced technology," he said.

Hua of the World Bank said, while the influx of foreign capital is likely to continue, China must give better guidance over the direction of foreign investment.

Last year, the country absorbed 11 billion U.S. dollars of foreign investment, a figure Hua called "rare in the world, and certainly unique among developing countries."

As foreign investors generally "have their eyes on long-term results," Hua advised China against depending on "encouraging policies," which he said should be primarily for the initial stage. Rather, "the greater environment," in terms of infrastructure and administrative efficiency, is more important and calls for more attention, he said. "Without an excellent overall environment," preferential policies alone, no matter how attractive in themselves, will not be attractive enough for investors."

For the sake of long-term development, Ambassador Pierre Duchateau of the delegation of the commission of the European Community, put forth a five-point specific proposal: Simplify formalities, uniform foreign trade policies, make rmb [renminbi] convertible at an early date, set up more stock exchanges whereby foreign investors have quotations of their products, and bring automation to banking services.

While expressing appreciation of China's efforts to make use of foreign capital, technology and managerial experience, the interviewees all expected China to have a broader and farther vision.

In using foreign investment and developing foreign trade, they advised following the principle of balance, which Hua specified as "not putting eggs in one basket."

In terms of opening, Hua said, while foreign investment should continue to be used, domestic enterprises need to be encouraged to invest abroad, which will help ensure a more effective introduction of foreign capital, resources and advanced managerial practice.

"It's time for China to go from merely using foreign investment to investing abroad," he said.

Also, the senior economist noted that China's foreign trade, which is currently concentrated in the U.S. market, should spread to Europe and Southeast Asia.

Latin America is a potential good market for China in the next five to 10 years, he said.

On the point of balance, Ambassador Duchateau expressed agreement, pointing to vast potentials for furthering EC's cooperation with China, particularly in construction, transportation and personnel training.

In the past, foreign investment was largely used for big projects, but "small-and medium-sized enterprises are extremely important for China's future development," Duchateau said. In this regard, European countries, known for big numbers of such businesses, are "good partners" for China, he said.

Besides, recent developments in EC and China, the integration of the EC market and China's quicker pace of reform and opening will further facilitate their cooperation, he said.

For Pak, strengthened cooperation with other Asia-Pacific nations, which he said will be "a main force" in world economy in the coming century, will play "an important role" in China's modernization.

With a view to ensuring long-term development, the interviewees advised China to address potential problems in good time.

Calling social stability "crucially important" for China's economic development, Duchateau advised preventing disparity in wealth, among other social issues, from

becoming acute. He said he preferred to see "soft and quiet development," rather than "ups and downs."

Pak, speaking of ROK's experience, warned against potential inflation.

They both stressed the importance of perfecting the legal system and enhancing the intellectual quality of the people in general.

On the issue of China's return to GATT (General Agreement on Tariffs and Trade), they said such a return means both chances and challenges.

Duchateau expressed the hope that negotiations on China's readmission to GATT will be successful, saying that will bring more opportunities to EC's cooperation with China. While the EC supports China's accession, it hopes that China will take continued efforts to enhance the transparency and uniformity of its foreign trade policies, quicken the steps of building up a market economy and further lower tariffs.

Pak, likening GATT to "an international swimming pool," asked, "how can you go in there without abiding by its rules and putting on suitable swimwear?"

United States & Canada

Senate Approves Clinton's Economic Plan

OW2503214593 Beijing XINHUA in English 2117
GMT 25 Mar 93

[Text] Washington, March 25 (XINHUA)—The U.S. Senate today voted 54 to 45 to approve the broad outlines of President Bill Clinton's five-year economic plan, a new Democratic vision for reducing the deficit by 502 billion dollars.

The plan, adopted as part of a multi-year budget resolution, would cut spending by 207 billion dollars and raise taxes by 295 billion dollars over the next five years.

The Senate's deficit-reduction outline is similar to a plan the House approved last week.

Most of its savings would come from tax increases on the rich and on energy use, plus cuts in defense and in benefit programs like medicaid. The actual tax and spending changes will be included in future legislation.

No Republican supported the Democratic plan. They attacked the plan for its tax increases and its failure to curb spending more aggressively.

Because the House and Senate versions of the budget resolutions are slightly different, representatives of the two chambers must work out a compromise to send back for final approval. Democrats' leaders have said they hoped to complete that task before Congress leaves for its spring recess at the end of next week.

The budget resolutions largely reflects Clinton's plan but requires steeper cuts by curbing administration spending and further taxing upper-income Americans.

"The President is very pleased that the Senate has now passed his budget in record time and approved his plans both to increase investment and reduce the budget deficit over the next five years," spokesman George Stephanopoulos said.

After the budget vote, the Senate immediately began debate on a companion 16.3 billion dollars jobs bill, which is intended to stimulate the economy and create jobs over the next two years. The White House promised an all-out effort to make sure it, too, was passed with only minimal changes.

Delegation To Visit U.S. To Buy Oil Equipment

OW2503133893 Beijing XINHUA in English 1253
GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—Wang Tao, general manager of China National Petroleum Corporation (CNPC), will head an oil delegation to attend a Sino-U.S. petroleum cooperation seminar in Houston of the United States at the end of this month.

Wang released today in Beijing that during the 10-day visit to the U.S., the delegation will sign ordering contracts with U.S. companies to buy oil prospecting and developing equipment and chemicals for oilfields. The deal is predicted to reach 200 million U.S. dollars.

Wang said an oil equipment purchasing group has already gone to the U.S., and the equipment to be imported will be mainly used for oil prospecting in newly-opened areas in northwest China.

In line with the decision by the Chinese Government to expand international onshore oil cooperation, CNPC has defined the southeast section of Tarim Basin for the first round of bidding and began to call for international tenders at the beginning of this month.

At the Houston seminar, the Chinese oil delegation will further introduce the geological conditions of the bidding area, as well as bidding procedures, bidding progress and related policies. It will also listen to ideas and suggestions from U.S. oil companies.

Statistics show that by the end of 1992, more than 370 U.S. oil companies, economic organizations and scientific research units had participated in China's prospecting, development and research of onshore and offshore oil. Of the five cooperative oil projects signed by the 11 southern provinces and regions, four have been joined by U.S. companies.

Wang said that, during its visit, the delegation will also sign a number of cooperative contracts or agreements with U.S. companies in a broader field, one of which is with the Halliburton Company to jointly establish an oil development company.

During his stay Wang will visit some noted figures from the U.S. political, industrial and commercial circles, as well as some large oil companies and conglomerates, so as to further promote the economic, trade and oil cooperations between the two countries.

Automakers, U.S. Firm Sign Contract on Research

OW2403145393 Beijing XINHUA in English 1318 GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—China's five big automobile companies signed here today a letter of intent with the U.S. Ford Automotive Components Group (ACG) to study the feasibility of a proposed research and development center for auto components.

The signatories on the Chinese side were the China National Automotive Industry Corporation, First Automotive Group Company, Dongfeng Motor Corporation, Shanghai Automotive Industry Corporation and Nanjing Automobile Corporation.

According to the letter of intent, the ACG, through the new center to be located in Shanghai, will provide China's automobile makers with Ford's technology and products to upgrade China's automotive components industry.

This will be the Ford company's first such center established abroad.

Earlier, the ACG signed a letter of intent with two Shanghai automotive component plants to produce auto-use glass and decorating materials.

By the end of 1992 China had 122 automobile enterprises involving foreign funds, which attracted 800 million U.S. dollars in investment from 15 countries.

Qian Qichen Meets Canada's Charles Joseph Clark

OW2603074293 Beijing XINHUA in English 0723 GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen had an hour-long discussion with Charles Joseph Clark, visiting president of the Privy Council and minister of constitutional affairs of Canada, on bilateral ties as well as regional and international issues.

Clark arrived here yesterday at the invitation of the Chinese Government.

According to a Chinese official, Qian expressed the hope in the meeting that both Chinese and Canadian Governments will adopt a forward-looking attitude in working for the continuous improvement and growth of Sino-Canadian relations.

Clark described his visit as a new step taken by Canada for putting the Canada-China ties on a more normal track.

Qian commented that the Sino-Canadian ties have moved forward fairly smoothly in the past 22 years since the establishment of their diplomatic relations.

While the two sides have differing views on certain issues, he stressed, they have common interests in many important areas.

Qian added that the Chinese people cherish friendly sentiments for the Canadians and the Chinese Government attaches importance to the Sino-Canadian ties.

Clark said that Canada and China can have cooperation in many fields. The problems in the bilateral ties can be solved through consultation on an equal footing.

He believed that there are great potentials in Canada-China cooperation, particularly the economic and trade ties.

Clark, who visited China in 1984, told Qian that he saw big changes in China in his current tour.

Before arriving in Beijing yesterday, Clark toured Guangdong Province in south China.

Central Eurasia

Envoy Presents Credentials to Armenian President

OW2603003493 Beijing XINHUA Domestic Service in Chinese 0121 GMT 24 Mar 93

[Text] Moscow, 23 Mar (XINHUA)—According to a report from Yerevan, Armenian President Ter-Petrosyan on 23 March expressed satisfaction over the normal development of Armenian-Chinese relations since the establishment of diplomatic relations between the two countries a year ago.

The Armenian president made the above remarks while accepting the credentials of Chinese Ambassador to Armenia Zhao Xidi [6392 1585 6611].

The Armenian president had a friendly conversation with Zhao Xidi. The two sides contended that relations between the two countries have broad prospects for development.

Ambassador Zhao Xidi arrived in the Armenian capital on 16 March.

Khasbulatov Does 'Not Favor' Impeachment

OW2503214693 Beijing XINHUA in English 1742 GMT 25 Mar 93

[Text] Moscow, March 25 (XINHUA)—Russian parliament leader Ruslan Khasbulatov said here today that he personally did not favor the idea of impeaching President Boris Yeltsin.

"To tell you frankly, I'm not a supporter of some sort of impeachment," Khasbulatov told reporters at an impromptu news conference during a session of the Supreme Soviet.

"I think it is not the only solution. I think we still have a possibility of (finding) normal solution," Khasbulatov said.

The parliament leader, Yeltsin's chief rival in a power struggle that has gripped the nation, said he favored early elections for parliament and president.

He said such a proposal had an easier chance of approval by the parliament than did impeachment.

The statement was a reversal for Khasbulatov, who presided over the Supreme Soviet session that called the Congress of People's Deputies to an emergency session on Friday.

The Congress of People's Deputies is the only organ has the power to remove a president from office.

Both Khasbulatov and Yeltsin were scheduled to appear on TV to address the nation later today, just one day before the crucial ninth emergency session of the Congress.

Khasbulatov Address Notes Yeltsin 'Mistake'

OW2503214893 Beijing XINHUA in English 2006
GMT 25 Mar 93

[Text] Moscow, March 25 (XINHUA)—Ruslan Khasbulatov, the president of the Russian parliament, said tonight on television that if President Boris Yeltsin admits his "mistake" and gives up his "imprudent action" of declaring a special rule, the present political crisis can be overcome.

He made the statement at 8:30 local time on the Russian television, one hour before Yeltsin made his speech on another television station.

Khasbulatov said the major task of the present for him is "to stay loyal to the Constitution and to struggle for democracy." "Russia does not have any force which really opposes reform. What Russia lacks is democracy ... the people are afraid of the appearance of dictatorship and suppression," he said.

He also said Russia should have a "government of national confidence" which contains all the political forces and representatives from all the social groups of the federation. He called for the replacement of those "ideologues" in the government with technocrats and experts who know how to run the country.

He also said the "shock therapy" used by the government in economic reform has brought about poverty of the Russian people.

As for tomorrow's Congress of People's Deputies, he said its purpose is not to impeach the president, but to look

for a way to get Russia out of the current crisis with a conclusion on President Yeltsin's March 20 declaration of a special rule.

He said Russia should be a constitutional republic with a strong parliament checking the power of the president.

Yeltsin Gives 'Warning' to Congress in TV Speech

OW2503214793 Beijing XINHUA in English 1940
GMT 25 Mar 93

[Text] Moscow, March 25 (XINHUA)—Russian President Boris Yeltsin gave a warning to the coming 9th Congress of People's Deputies this evening that if it makes "incorrect decisions" such as ceasing his power as president, it would push the country into "the abyss of nationwide conflict."

He also appealed to the deputies not to deprive the Russian people of the right to express their will through a national referendum to show their confidence in the president.

Yeltsin made the statement when he appeared on television at 9:30 local time. This is the second speech he made to the nation within one week.

Yeltsin accused in tonight's speech the Supreme Soviet of "moving farther and farther away from the emergency need of the state and the need of the people," and said that it had been "trapped in the quagmire of endless political investigations and searches for enemies," which he said is leading the country into a kind of anarchic situation.

"There are some people in the Supreme Soviet who want to find excuses to worsen the conflict, and their scheme to overthrow the president has already begun," he said.

He said these people want to "use the hand of the deputies to achieve this goal by making new amendments to the Constitution and in the meantime keeping their constituencies and the Russian people in the darkness." He said such new amendment of the Constitution will make the Russian Constitution unrecognizable.

Yeltsin said he will stick to the position of holding the referendum, which he said will be the object of attack at tomorrow's Congress of the People Deputies.

"The aim (of the Supreme Soviet) is to directly or indirect stop the people from fulfilling their duty of electing the president, and this will only deepen the crisis in Russia," he said.

He also expressed regret over the actions of the Constitutional Court in the past few days. He said the court had started investigation of the legality of his "verbal appeal" on March 20 to establish a decree on special rule without waiting for the formal publication of such a decree, and then "in a hurry" the court made the conclusion that the decree is illegal.

"I cannot remember that any speech by any supreme leader has been subject to such kind of quick and concentrated investigation by a court...only when a speech contains appeals to use violence to overthrow the existing system, or makes up an instigation of hatred, can one use such kind of process of investigation," he said.

Yeltsin Challenges Supreme Soviet on Coal Decree

OW2503214993 Beijing XINHUA in English 2041 GMT 25 Mar 93

[Text] Moscow, March 25 (XINHUA)—Russian President Boris Yeltsin today challenged the Supreme Soviet over a controversial decree on the privatization coal-mine industry in Russia he signed last December.

In a letter sent to parliament President Ruslan Khasbulatov, Yeltsin said the decree, which specifies that the Russian coal-mine industry should be sold in stocks in a privatization process, does not go against the law.

The parliament has decided to invalidate the decree before it adopts a privatization plan for 1993.

Yeltsin said in the letter, made public by local media today, that the decree was based on another decree he signed in August last year on the privatization of energy industries of Russia.

The Russian media have been publishing a series of decrees signed by Yeltsin in the past few days.

Yeltsin's challenge seems to be a show of power as the Supreme Soviet is scheduled to meet on Friday [26 March] to discuss his March 20 declaration of a special rule.

Yeltsin Meets With Officials on Referendum

OW2503234093 Beijing XINHUA in English 2305 GMT 25 Mar 93

[Text] Moscow, March 25 (XINHUA)—Russian President Boris Yeltsin had a late night meeting today with leaders from the republics of the Russian Federation, parliament and administrative leaders of Russia's frontier regions and prefectures, as well as some parliament members.

According to a news release by the presidential press secretary's office, Yeltsin said at the meeting that he is determined to "hand the power of determining the Russian system to the people" by organizing on April 25 a referendum on presidential confidence and the drafting of a new constitution.

The referendum is based on the constitutional rights of the people, Yeltsin was quoted as saying at the meeting.

The meeting was held on the eve of the 9th emergency session of the Congress of the People's Deputies, which

could worsen the clash between Yeltsin and the Supreme Soviet if it introduces the impeachment of Yeltsin into its top agenda.

At tomorrow's session, some members of the parliament are expected to call for the impeachment of Yeltsin for his declaration of a special rule on March 20, which was declared unconstitutional by both the Supreme Soviet leader Ruslan Khasbulatov and the Constitutional Court leader Valeriy Zorkin.

Russian Ministry Urges Army To Be Neutral

OW2503234593 Beijing XINHUA in English 2214 GMT 25 Mar 93

[Text] Moscow, March 25 (XINHUA)—The Russian Defense Ministry today urged all the members of the Russian Armed Forces to stay away from the current political clashes in the country.

The ITAR-TASS news agency quoted the Ministry as saying in a letter of appeal that under the present complicated situation, all kinds of political forces are trying to forge an impact on the Armed Forces for their own destinations.

It also called on the military to watch out against any effort aimed at pushing the military into armed actions, saying that the military should strictly follow the Constitution and other legal provisions, and refrain from getting involved into political conflict.

Northeast Asia

DPRK's Kim Chong-il Explains 'Semi-War State'

OW2603032393 Beijing XINHUA in English 0305 GMT 26 Mar 93

[Text] Pyongyang, March 26 (XINHUA)—Although he has cancelled his declaration of a semi-war state, Kim Chong-il, supreme army commander of the Democratic People's Republic of Korea (DPRK), is calling for full vigilance of the armed forces and the people of DPRK.

The newspaper NODONG SINMUN quoted Kim Chong-il as saying that withdrawal from the Nuclear Non-proliferation Treaty and the declaration of a semi-war state had been necessary to preserve the country's independence, state sovereignty and socialism.

He said that the Korean Army would defend the country and the people.

The semi-war declaration for the whole country, military and people was issued by the supreme commander in response to the "Team Spirit" joint United States and Korean war games in South Korea. It was cancelled by Kim Chong-il on March 24.

Japan Promises Aid To Teach Japanese Language

OW2603084393 Beijing XINHUA in English 0738
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—The Japanese Government will offer a total of 84 million Japanese yen in financial aid for Japanese language training in China's schools.

Zhu Kaixuan, Chinese vice-minister of the State Education Commission, and the Japanese Ambassador to China, Michihiko Kunihiro, exchanged two notes formalizing the aid agreement here this morning.

Zhu said that the aid package is aimed at meeting the increasing demand for Japanese language training in China.

Recipients of the aid, Shandong University in east China's Shandong Province and the Northeast Teachers University in Jilin Province, will use the money to buy language teaching equipment.

Southeast Asia & Pacific

Li Peng Receives Thai Friendship Delegation

OW2603104193 Beijing XINHUA in English 1020
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Chinese Premier Li Peng today stated that China and Thailand should work together to expand economic cooperation and bilateral trade.

Li made the remark at a meeting here this afternoon with a delegation of the Thailand-China Friendship Association led by its president, General Chatchai Chunhawan.

Li said that over the past few years Sino-Thai relations have maintained a momentum of continuous growth and that economic relations have developed markedly.

The current China visit by dozens of Thai entrepreneurs sponsored by the friendship association indicates that Thailand attaches great importance to developing its ties with China, Li said.

Li welcomed the delegation to tour southwest China's Yunnan Province and explore the potential for enhanced economic ties with Yunnan's government and businessmen.

With the expansion of China's economic reforms and opening up, Li said, there exist possibilities for further expansion of economic cooperation and bilateral trade.

Li expressed the hope that the two sides will work together to this end.

Chatchai, a former prime minister of Thailand, said the Thailand-China Friendship Association is committed to developing friendly ties with China.

Chatchai said all members of the association, including many entrepreneurs, take a positive attitude towards investment in China or other forms of cooperation with China.

They are particularly interested in reinforcing economic cooperation with Chinese provinces that are geographically close to Thailand, Chatchai added.

The former prime minister told Li that the delegation will make a special tour of Yunnan Province to study the province's investment environment in order to lay a foundation for future bilateral cooperation.

Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, also attended today's meeting.

The Thai delegation arrived in Beijing on Thursday [25 March].

NPC's Chen Muhua Fets Thai Deputy Speaker

OW2603120093 Beijing XINHUA in English 1124
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Chen Muhua, vice-chairman of the National People's Congress (NPC) Standing Committee, met and had a cordial talk with Tawin Phraison, deputy speaker of the House of Representatives of Thailand, and his party here this evening.

During the meeting Chen briefed the visitors on the first session of the Eighth NPC, which is being held here.

The meeting was followed by a dinner hosted by Chen in honor of the visitors.

Economic Activities Highlight 'Australia Week'

OW2603115293 Beijing XINHUA in English 1103
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Australia Week, sponsored by the Australian Embassy here and centered on economic, trade and cultural activities, was inaugurated here today.

The opening ceremony was attended by members of representative offices of four leading Australian corporations.

During Australia Week, there will be trading activities, photography and painting exhibitions, jazz shows and the first showing in China of a prize-winning Australian movie.

Michael Lightowler, the Australian ambassador to China, said at the ceremony that following the establishment of diplomatic relations between China and Australia, Sino-Australian economic and trade relations have witnessed substantial development.

China's economic reform and opening-up have provided various opportunities for Australian corporations to carry out cooperation with their Chinese counterparts, added Lightowler.

The ambassador said, the opportunities for further strengthening bilateral trade and commercial relationship are stronger now than ever before.

Lu Yansun, vice minister of China's Machinery and Electronics Industry, said that Australia Week and the opening of the representative offices of the four Australian corporations marked the success of Sino-Australian cooperation in the fields of industry, science, technology and culture over the past years. Lu added that the event also signals a new era of cooperation between the two countries.

According to China's customs, Sino-Australian trade volume last year hit a record 2.33 billion U.S. dollars. That figure included imports to China of 1.67 billion U.S. dollars in Australian goods and exports of Chinese products valued at 660 million U.S. dollars.

Over the past two decades, China's main imported goods from Australia have been iron ore, wool, barley, wheat, sugar, fertilizers and other raw materials.

Over the past few years, with the help of loans and financial aid from the Australian Government, Australian technology and equipment has come to be accepted by more Chinese people. Popular Australian-made products include refrigerators, telecommunications, metallurgy, and mining equipment.

Meanwhile, China has begun to export to Australia household electrical appliances and electromechanical products in addition to textiles, garments, cereals, edible oil and other foodstuffs.

'News Analysis' on New Australian Government

OW2403102793 Beijing XINHUA in English 0733
GMT 24 Mar 93

["News Analysis" by Chen Xin: "Asian Links, Priority for Australian Government"]

[Text] Canberra, March 24 (XINHUA)—Challenge as well as chance are confronting the new Australian Government headed by Prime Minister Paul Keating, which was sworn in this morning.

While facing a daunting task to tackle domestic economic problems, the 37th Australian Government is expecting to benefit from the fast-growing Asian economies.

Keating has made a big reshuffle to his government. But if the factor of the factional struggle within his Labor Party is taken out, the only significant change is the promotion of the trade ministership to the cabinet.

Keating won the recent general election at a time when the economy was on an anaemic recovery from recession, with the deficit and foreign debt soaring and unemployment keeping high.

While the jobless rate, now standing at 11.1 percent, is a lagging indicator, the government will have to encourage business activities to make inroads into unemployment in its three-year term.

However, the Australian economy has been stuck in a path of weak growth. The latest figures show that the gross domestic product grew by an annual rate of only 2.5 percent in the fourth quarter last year, far less than the 4 percent rate required to reduce the dole queue.

Moreover, the new government has just found its hand tied up by a high deficit which resulted from the expansionary fiscal policy during the past year, which is estimated to have reached a record high of 11.5 billion U.S. dollars in the current financial year (July 1992-June 1993).

To build up its credibility, the Labor government will have to review its spending programs to avoid further worsening in its balance sheet. This constitutes a dilemma between growth and budget collapse.

Keating has been fully aware of the risky situation. Although he made a number of spending promises during the election campaign, he is now likely to retreat from some of them as economists here have predicted.

But as a further push is needed for a healthy economic growth, Keating has bet largely on the Asian economies which will provide a vast opportunity to Australian businesses.

In line with his previous stand "Australia's future lies in Asia," Keating has claimed after his election win that "we are now set to be part of it."

"Australia must continually improve its trade performance and increasingly become economically part of it," he said.

Official figures showed that about 60 percent of Australia's exports went to Asia last year. Economists here forecast that the proportion will further increase in the 1990s.

The Labor government has also announced a package of measures to help the country cash in on Asia's economic growth early this month. It will provide 42 million U.S. dollars to fund the package and encourage businesses to expand their Asian links.

The establishment of a trade portfolio in the new cabinet announced today has again reflected the emphasis on trade in Keating's policy, which is seen as helpful to a sustained growth and the internationalization of the Australian economy.

"The 1990s will see us carry further the shift towards a more diverse and outward looking society...and the new portfolio will take on the vital responsibility of pursuing our overseas trade interests," Keating said today.

Near East & South Asia

Li Tieying Receives Egyptian Education Minister

OW2503061493 Beijing XINHUA in English 0557
GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—Chinese State Councillor Li Tieying met with Egyptian Minister of National Education Husayn Kamil Baha'-al-Din here today.

During the meeting, Li, also minister in charge of the State Education Commission, exchanged views with the visitors on bilateral friendly relations and cooperation in the field of education.

After the meeting, Li hosted a dinner in honor of the Egyptian minister, his wife and party.

The visitors arrived here March 24 at the invitation of the Chinese State Education Commission. They are also scheduled to visit Hangzhou in east China's Zhejiang Province apart from Beijing.

Yang Shangkun, Li Peng Greet Bangladesh Leaders

BK2503162293 Beijing China Radio International in Bengali 1500 GMT 25 Mar 93

[Text] Chinese President Yang Shangkun and Prime Minister Li Peng have sent separate messages of felicitations to President Abdur Rahman Biswas and Prime Minister Khaleda Zia of Bangladesh on the occasion of the National Day of Bangladesh.

President Yang Shangkun in his message said the existing friendly ties between China and Bangladesh are deep-rooted and traditional. This friendship is in line with the hopes and aspirations of the people of the two countries. He expressed the hope that through the joint efforts of the two sides the cordial ties and cooperation between China and Bangladesh will develop further in the future.

Prime Minister Li Peng in his message said that during the past year the Bangladesh Government has achieved laudable success in the development of the country and has played a positive role in the maintenance of international peace. He said China and Bangladesh are close neighbors and added that China attaches special importance to maintaining friendship and cooperation with Bangladesh. Li Peng expressed the hope that through the joint efforts of the two sides the friendly ties and cooperation between China and Bangladesh will further deepen and develop in the future.

India-China Journalists Association Established

OW2403145493 Beijing XINHUA in English 1438
GMT 24 Mar 93

[Text] New Delhi, March 24 (XINHUA)—The India-China Journalists Friendship Association has been formally formed here today to enhance the mutual understanding through press cooperation between the two countries.

Indian Minister of State for External Affairs R.L. Bhatia inaugurated the association, hoping that it will help reinforce the bonds of friendship between India and China.

Indian former President Giani Zail Singh, former General Secretary of the Ruling Congress (I) Party and Chinese Ambassador to India Cheng Ruisheng attended the inauguration.

Harbhajan Singh, editor of the OBSERVER OF POLITICS AND BUSINESS and president of All-India Small and Medium Newspapers Federation, was elected first president of the Journalists Association.

Heavy Radioactivity Detected in North India

OW2303232993 Beijing XINHUA in English 0731
GMT 16 Feb 93

[Text] New Delhi, February 16 (XINHUA)—A heavy volume of radioactive emissions has been detected in several villages in the northern Indian state of Himachal Pradesh, the English daily "INDIAN EXPRESS" reported today.

Continuous inhalation of air containing radioactive particles causes lung cancer and other chest maladies, the paper said.

Indian scientists have conducted radioactivity studies in 10 houses each in 15 villages of the state and found that radioactive particles are present in the soil, air, water and vegetation.

The safety limit of radioactive elements in the atmosphere has been prescribed by American scientists as four "pico-Curie" per liter of air.

However, in these Indian villages, the measure of radioactive particles is extremely higher than the limit, unsafe for the inhabitants of the area, the paper said.

West Europe

German Governor Discusses Upcoming Visit

OW1803131093 Beijing XINHUA in English 1243
GMT 18 Mar 93

[Text] Berlin, March 18 (XINHUA)—A German governor said on Wednesday [17 March] his visit to China next week is aimed at establishing economic ties between the countries.

Bernhard Vogel, governor of Thuringen, a state of east Germany, told reporters that he is coming "at the opportune moment" for "cautious political contact" with China. He pointed out that China's economy is growing at a ten percent annual rate.

Vogel is scheduled to visit China between March 21 and 29.

Arrives; Meets Zhu Rongji

OW2403065293 Beijing XINHUA in English 0645 GMT 24 Mar 93

[Text] Beijing, March 24 (XINHUA)—A group of officials from the Land (State) of Thuringen of Germany, led by Governor Bernhard Vogel, left here for a tour of Xian and Shanghai today.

While in Beijing yesterday, they met with Chinese Vice-Premier Zhu Rongji, who briefed them on the current political and economic situation in China.

Since their arrival here on Monday [22 March], the visitors have had discussions with Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries, as well as leading officials of the Foreign Ministry and the Ministry of Foreign Economic Relations and Trade.

The hosts and guests exchanged views on promoting friendly contacts, trade and economic cooperation between China and the State of Thuringen. They also discussed international issues.

Qiao Shi Receives German Party Delegation

OW2503133293 Beijing XINHUA in English 1254 GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met a delegation from the Party of Democratic Socialism (PDS) of Germany, led by party Chairman Lothar Bisky here today.

Qiao extended a warm welcome to Bisky and his party on behalf of the CPC Central Committee. He said that the two parties have a lot in common as well as some differences because of their different situations.

The CPC is willing to develop ties with the PDS on the basis of the four principles of party-to-party relations, Qiao said.

Qiao said reforms have been going on in the country for over 10 years. Without these reforms, the situation in China would not be like that of today. "It was not easy to carry out reforms in so large a country as China," he said, "But we are confident in overcoming difficulties and carrying through these reforms in a deeper way."

Bisky said that the PDS cherishes deep feelings toward the CPC and attaches importance to the development of

friendly ties between the two parties. This was the first time for the delegation to visit China and its members were very much interested in China's reforms and all that has happened in the country, he said.

After the meeting, Qiao hosted a banquet for the visitors.

PDS was founded in early 1990. At present, it has about 150,000 party members. The delegation arrived here on March 23 at the invitation of the CPC. The visitors are also scheduled to visit Shanghai.

PRC-British Financing Seminar Opens in Beijing

OW2603084093 Beijing XINHUA in English 0753 GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—A Sino-British commercialization and capital project financing seminar was held here today.

Some 100 people from Chinese and British economic and financial circles exchanged views on issues concerning the enterprise financing under the conditions of a market economy as well as issues in the international finance.

Chinese State Councillor and Governor of the People's Bank of China Li Guixian and Deputy Governor of the Bank of England Eddie George were present at the opening session of the one-day seminar.

Chen Yuan, deputy governor of the People's Bank of China, said the seminar will be helpful to strengthening and promoting economic cooperation and trade between China and Britain and between Chinese and British enterprises.

He added that the seminar will also help China's state-owned enterprises draw experiences of commercialization from their British counterparts so as to speed up the process of changing their managerial mechanism.

Eddie George is on a 10-day visit to China at the invitation of Li Guixian. Before coming to Beijing, he visited Shenzhen in south China's Guangdong Province.

It is learned that the Bank of England, a leading central bank in the world's financing circles, has maintained good cooperation with China in the recent years.

Academician on PRC-British Trade Prospects

HK2503133093 Hong Kong TA KUNG PAO in Chinese 25 Mar 93 p 3

[Dispatch by staff reporter Lin Ning (2651 1337): "Zhang Yunling, Director of the Institute of West European Studies Under the Chinese Academy of Social Sciences, Talks About Sino-British Trade Prospects"]

[Text] Guangzhou, 23 Mar (TA KUNG PAO)—Zhang Yunling, director of the Institute of West European Studies Under the Chinese Academy of Social Sciences, told this reporter today that if the UK sticks to its stand

on the Hong Kong issue and this affects the speedily developing Sino-British economic and trade relations, this could mean that the UK will lose the most vigorous big market in Asia. Thus its economy, which is seeing a slow recovery, will become even slower.

The British Side's Move on Hong Kong Is Hard To Understand

Zhang Yunling is attending an economic seminar jointly sponsored by Hong Kong and mainland academicians. The participating experts said that the British side's move on Hong Kong was incomprehensible and that they were worried about the consequences.

Professor Zhang said that of course, viewed from the angle of world economy, in many cases economic relations are not broken because of worsening political relations, particularly under market economic conditions. But there is another point which should not be overlooked, namely that the status of two countries' political relations will directly affect commercial investors' confidence. Can we provide a stable guarantee for entrepreneurs to carry out trade and investment? An investment is made on expectation of returns. If political relations are not good, no one will act without careful consideration. This is a common criterion. We should know that the market is established on the basis of investors' confidence.

The money market in particular, which reflects the basis of economic and trade relations, can be regarded as a "thermometer" for political relations. Big ups and downs will give rise to unstable economic factors.

Without doubt, the UK was a Western country which maintained semiofficial relations with China during the cold war, and it benefited much from them. After the "Beijing incident," the UK took the lead in restoring relations with China. Viewed from economic and trade development, there have been two periods of speedy economic and trade development between China and the UK: One was in the mid-1980's and the other is in the 1990's. Particularly in recent years, the pace has quickened.

Zhang Yunling cited some statistics to explain this question. Imports and exports between China and the EC now account for 13 percent of China's annual imports and exports. Among these imports and exports, Germany ranks first and the UK comes second. China mainly exports light industrial products, textile products, electronics products, and machinery to the UK, while the UK exports telecommunications equipment, petrochemicals, machine tools, and engines to China.

Exploring the Asian Market To Cure Its Economic Depression

A prominent point is that British direct investments in China have markedly increased in recent years. Particularly since 48 British business groups visited Beijing, discussions have been held on some major investment projects, including the underground railway project in Guangzhou. Take as an example the contracts approved and signed by China from January to September last year and the year before last for utilizing foreign capital: There were 22 British-invested projects in China in 1991, worth a total of \$102.78 million; whereas in the same period of 1992, British-invested projects in China increased to 70, worth a total of \$210 million, approximately double in terms of investment. The development trend is easy to observe.

According to detailed analysis, the rapid increase in British investments in China suggests that the government in London is trying to seek a new "external propulsion"—a strategic arrangement to resolve its domestic economic problems. The UK has experienced an economic depression for more than three years and no prominent change has been noticed. Its unemployment rate stands at 3 million, and public loans total more than 30 billion pounds. Differing from the Thatcher administration, the Major administration's diplomacy is characterized by: First, "display the UK's role as the center of Europe," and, second, explore the Asian market.

Meeting with the barrier of "a high degree of integration" in Europe, the UK has found it difficult to do anything based on the previous British-U.S. allied structure. Zhang Yunling said that although the British pound is outside the European exchange rate mechanism and the UK has improved its export competitiveness, its competitors still remain superior to it. The manufacturing industry is an example. The British productive forces in manufacturing industry are still lower than those of Germany and France by one-fourth.

Apart from this, there is another point which merits attention. Japanese-British economic relations are becoming tense. Sixty percent of shares in the British car industry are controlled by foreigners, most of whom are Japanese. To change this disheartening situation, the UK has shifted its attention to Asia, where the vitality of the world economy lies. It is trying to use the broad market which has taken shape out of China's speedy economic development to end the UK's present economic crisis, hoping to "find a way out."

It Has Benefited From Long-Term, Large-Scale Investments in Trade

Zhang Yunling explained it in this way: Differing from Hong Kong's small and medium-sized enterprises' medium- and short-term investments, most British investments in China are large-scale, long-term investments made by transnational groups of companies. The UK realizes its profits by means of large-scale trade

investments, technology, and functions [xing neng 1840 5174]. That is why I said earlier that the impact of deteriorating Sino-British political relations on the entry of British capital into the Chinese market is bigger and more direct.

To put it more profoundly, British economic interests in Hong Kong will suffer serious losses. At present British capital controls Hong Kong's financial, insurance, real estate, telecommunications, and transportation business as well as other public facilities. It also has solid forces in foreign trade, manufacturing industry, shipping, aviation, and tourism. British capitalized stocks account for about 30 percent of the total capital market value, and these stocks are generally the first to suffer from the influence of political factors.

In conclusion, Professor Zhang Yunling said: The UK placed its hopes on its economic takeoff this year in announcing the financial budget several days ago, and it also wishes to expand export loans. But at present this could be as bad as entering a blind alley. In politics, it has resorted to "perfidy"; in economy, it will lose more than it can gain. Weighing the advantages and disadvantages, abandoning confrontation would be a wise decision. Otherwise, a wrong move in the chess game could ruin everything.

Latin America & Caribbean

PLA Leader Receives Venezuelan Army Delegation

OW2503134593 Beijing XINHUA in English 1233 GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—Zhang Wannian, chief of the general staff of the Chinese People's Liberation Army (PLA) met here this evening with Oswaldo Ramon Suju Raffo, general inspector of the armed forces of Venezuela, and his party.

Zhang briefed the guests on China's current economic and political situation. He also spoke highly of Sino-Venezuelan ties.

Suju, who is on a ten-day China visit, appreciated China's economic achievements and he hoped the two countries would expand their cooperation in the economic and other fields.

They also exchanged views on international issues of common concern.

After the meeting, Zhang hosted a dinner in their honor.

Suju and his party are scheduled to leave Beijing tomorrow for Xian and Guangzhou.

Eighth National People's Congress

Commentary Says Guangdong Losing Economic Edge

HK2403083593 Beijing ZHONGGUO XINWEN SHE in Chinese 0800 GMT 22 Mar 93

[Commentary by staff reporter Zhang Chaunxi (1728 0278 3556)]

[Text] Beijing, 22 Mar (ZHONGGUO XINWEN SHE)—Guangdong, which was once in the limelight, is "left out in the cold" while the two meetings being held in Beijing are lively.

In all the newspapers published in Beijing, you can hardly find a report on Guangdong's economy. On the contrary, Shanghai Mayor Huang Ju, Jiangsu Governor Chen Huanyou, Shandong Party Secretary Jiang Chunyun, and others have frequently burst into the headlines.

At the over 20 press briefings held at the news center of the "two sessions," one could hardly see cadres from Guangdong, who once were the focus of attention.

It seems that Guangdong has been forgotten.

Over the last few years, news has poured out from those areas which have grown rich, especially when these places shook off poverty so rapidly that they were now only a step of prosperity. Indeed, in China, Guangdong is no longer "the richest area."

On the contrary, since Deng Xiaoping toured south China, Guangdong has begun to lose its edge. This has brought great pressure to people in Guangdong, "who advanced ahead of the rest of the country before." After staying several days at the Beijing Hotel, Shenzhen Mayor Li Youwei said: Now only the "special pass" makes Shenzhen "special."

Undesirable news began to spread late last year: A total of 90 enterprises last year withdrew from Shenzhen, usually known as the Holy Land "Mecca" of China's economy. One of the reasons were that charges for water and electricity were expensive in Shenzhen. In addition, the Shenzhen Government began to levy charges for beautifying the city and three insurance premiums on enterprises last year. All this was too much for enterprises. A factory employing 1,000 workers had to pay 2 million yuan to the government each year. The more important reason was that the hinterland offered more preferential policies on investment.

Shenzhen, known as Guangdong's "eldest brother," exported \$4.4 billion worth of commodities last year. The Xiamen Special Economic Zone [SEZ], which had lagged far behind Shenzhen in this respect, exported \$3.5 billion worth of commodities last year, achieving a greater growth rate than Shenzhen. The development of the New Pudong District in Shanghai also made Shenzhen "pale."

Guangdong really does not feel relaxed.

The Shenzhen SEZ and Guangdong have gradually lost their edges.

The people in Guangdong are in fact considering how to seize upon the favorable opportunity.

Zhuhai Mayor Liang Guangda told this reporter several days ago: Zhuhai's future development will be placed under a strategic plan which aims at building Zhuhai into a big investment area measuring up to the international standard on its present basis. Zhuhai will no longer bother about such a minor matter as launching a few more projects.

Li Youwei said: Starting with the building of markets for commodities, property rights, information, services, and insurance, Shenzhen will build itself into a big market which links China with foreign countries and where businessmen gather.

Liang and Li listed their future gigantic plans as if enumerating their family valuables.

Liang Guangda said: The Lingding Bridge linking Zhuhai and Tuen Mun will become "the longest bridge in Asia."

Guangdong is losing its original edge but is cultivating another edge.

"Being left out in the cold" is not necessarily a bad thing for Guangdong. But it is certainly a good thing for the whole country, which is opening up to the rest of the world, because China's glistening points will not be confined to Guangdong.

Guangxi Secretary, Vice Premier Attend Festival

HK2503151693 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 24 Mar 93

[Text] On the evening of 23 March, the autonomous region's deputies attending the First Session of the Eighth National People's Congress [NPC] and members attending the First Session of the Chinese People's Political Consultative Conference [CPPCC] Eighth National Committee had a happy get-together in Beijing's National Cultural Palace to celebrate the Festival of Songs on the Third Day of the Third Moon of the Guangxi Zhuang Autonomous Region. Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier; Gu Mu and Cheng Siyuan, vice chairmen of the Chinese People's Political Consultative Conference National Committee; and other comrades attended the get-together on invitation.

Zhao Fulin, party secretary of the autonomous region, made a welcoming speech at the get-together. He said: At the time when we are holding the two sessions, we hail the arrival of the traditional song festival held once a year by the people of the Guangxi Zhuang Autonomous Region. He welcomed and thanked the leading comrades

from the central authorities, relevant central departments, and fraternal provinces and cities for their presence at the get-together.

Chen Kejie, deputy party secretary and chairman of the autonomous region, went up on stage with Tang Weide, NPC deputy, and sang the song beginning the performance. Lin Taoqin, Yang Zhenzhong, Shuai Liguang, and Liu Jiasheng, deputies to the NPC from our region, together with Beijing's renowned singers and comic dialogue artists Jiang Dawei, Jiang Kun, Xie Lishi, Wang Jieshi, and others, went up on stage to give performances one after another. The entire get-together was filled with a warm and joyous atmosphere.

Administrative Restructuring 'Urgent Task'

HK2603071093 Hong Kong WEN WEI PO in Chinese
24 Mar 93 p 3

["Special Article" by WEN WEI PO news team: "Streamlining the Administrative Structure Is a Revolution"]

[Text] Beijing, 23 Mar (WEN WEI PO)—China has decided to carry out administrative restructuring again and to declare war on overstaffed organizations to build a capable and highly efficient government.

The National People's Congress [NPC] adopted the "Program of the State Council's Organizational Reform" yesterday, with 2,274 votes for, 210 against, and 292 abstained. This reform will proceed from the leadership to the rank and file. Reform from the central to the county level is expected to be completed within three years.

Government Setup Must Be Restructured

State Council Premier Li Peng stressed that reform must be carried out this time. He said: "Administrative restructuring is an important condition for building a socialist market economy and for expediting economic development. It is also an urgent task of political restructuring."

People's deputies agreed with this viewpoint. Fan Baling, who comes from Jiaxing city, Zhejiang, said, "China's economic operating mechanism has already begun to follow the path of the market economy. It will be absolutely unworkable if the government setup—the superstructure—remains in the planned economy pattern. Government administrative restructuring has reached the stage in which reform must be implemented.

China's senior leadership has been placing great hopes on reform. From the latter half of 1991, the Central Organization Committee, headed by Li Peng, started carrying out investigations and studies and made a special report to the CPC Political Bureau Standing Committee. Afterwards, it solicited opinions from all sides, convened more than 60 meetings of investigation

and study, and sent more than 40 investigation teams to various localities to inspect experimental reform units.

Two Previous Streamlining Attempts Failed

China has successively carried out two large-scale attempts at streamlining the administration over the past decade, but it swelled again following each attempt, and the desired goal has not been achieved.

The deputies' memories were fresh. When asked about whether they were satisfied with the reform program, Guo Xilian, deputy of Gansu and president of the Lanzhou Chemical Industrial Corporation, gave a telling reply, "If the whole thing is honored, we will be very pleased."

Guangdong Vice Governor Lu Zhonghe was even more straightforward: "Administrative restructuring has been carried out in the past, but it has not been very successful, and the key problem is that administrative restructuring in the past was carried out against the background of the unitary planned economy. If the current reform does not set socialist market economy as the goal instead, I am afraid we will follow the same beaten path again."

The architects of the reform program were also aware of the origin of the problem. Personnel Minister Zhao Dongwan said, "Our administrative restructuring this time is not simply a question of merging several organs into one or reducing several organs but is primarily concerned with functional transformation. The key lies in transforming the functions of government departments, and this is the most basic characteristic distinguishing the current effort from all administrative restructuring in the past."

The Government Should Make Sacrifices

In general, the people's deputies admired the reform blueprint as outlined by the architects, but they also were concerned that the reform would in the end be given up halfway, because the project is formidable and complicated. Shaanxi Deputy Yu Xiaowen said: "Administrative restructuring is a self-revolution which the governments at various levels must carry out. It is absolutely not an attempt to patch up the traditional system. This is a test of whether we are going to promote reform or to place obstacles."

In analyzing the problems confronting administrative restructuring, the official media has also frankly admitted: When power, which is consistently used, is taken away, the feeling of loss is certainly very painful, but, as reform has advanced to such a stage, government organs really need to make certain kinds of sacrifices.

In fact, some officials who are sentimentally attached to their power, have already begun to try every means to protect it, particularly the power to directly command enterprises. Prior to the opening of the NPC Session,

JINGJI RIBAO, which is under the State Council, published a series of articles fiercely attacking the so-called "renamed companies."

"Renamed companies" refers to those government organs that, in the name of reform, rename responsible departments into groups of corporations, or even abolish the legal person qualification of enterprises originally under their control, while retaining the power of administrative intervention in enterprise operational activities. This kind of "reform" only "renames" a company and does not bring about any substantial changes.

Renamed Companies Wield Power To Run Business

State Council Vice Premier Zhu Rongji has sternly criticized this phenomenon, saying that "this is not reform; it represents a retrogression."

A deputy from Zhejiang has anxiously said: "The new program of the State Council's administrative restructuring has unequivocally promised that 20 percent of personnel will be reduced within three years—this is an amazing improvement—but what I want to point out is that: These reduced personnel must under no circumstances become traders who wield power."

Traders who wield power may cause administrative restructuring to fall into the "wrong zone." Dong Fureng, people's deputy and senior economist, held that the most important aim of establishing a market economy is to optimize resource allocation with a view to ensuring fair competition. If power enters the market, resources cannot be allocated in the best manner.

"Streamlining the administrative structure is a revolution." Senior Chinese statesman Deng Xiaoping made such a judgment as early as a decade ago. Looking at the present situation, it would not be wrong to describe administrative restructuring as a "revolution."

A swelling administrative setup is always being streamlined, but it will swell again after this has been done. The process of this kind of vicious cycle has already proved that it is necessary to carry out a more thorough "revolution."

Apart from stressing the transformation of government functions, administrative restructuring this time will also introduce the civil service system, will introduce administrative establishment legislation, and will keep expenditure and the budget within certain boundaries following reform or during the latter stages of reform. Hence, Zhao Dongwan said, "We are confident that the vicious cycle of the past will not arise again."

Jiang Zemin Instructs on Guangdong Development

HK2603111093 Hong Kong TA KUNG PAO in Chinese
25 Mar 93 p 2

["Newsletter" by staff reporter He Sui-i (0149 4482 1837): "Jiang Zemin Presents His '64-Character Formula' to Guangdong"]

[Text] Beijing, 24 Mar (TA KUNG PAO)—Jiang Zemin, general secretary of the CPC Central Committee, attended a meeting of the Guangdong delegation in the Guangdong Hall of the Great Hall of the People and listened to speeches by some Guangdong deputies. Then, he talked for nearly one hour. He expressed the firm determination to keep Hong Kong's prosperity, and also required Guangdong to give play to its advantages and further opening. Finally, he gave a "64-character formula" to Guangdong as encouragement.

Some Guangdong deputies asked the general secretary whether the focus of China's opening is now being shifted northward and whether Guangdong will still have advantages in the future.

Jiang Zemin said: Shanghai, being a locomotive, is linked to the Chang Jiang Delta; while Guangdong is linked to the Zhu Jiang Delta. The Chang Jiang Delta cannot replace the Zhu Jiang Delta; neither can the Zhu Jiang Delta replace the Chang Jiang Delta. Guangdong has started its development for more than 10 years, and is also the first province to carry out reforms, to open up, and to run special economic zones. Deng Xiaoping himself also said that the play for the development of Shanghai's Pudong might have been put forth a bit too late. I think when the whole country develops to a certain level, it is natural that Pudong's development will bring along the development of the Chang Jiang Delta as a whole and will also promote the development of the lower valley of the Chang Jiang, including Jiangsu and Anhui. It is now the right time to set things in motion in that area.

He said: In the past, Guangdong and Shanghai used to be major trade ports, and they developed earlier than other parts of the country. In those years, they already could not replace one another. At present, the two localities should give play to their respective advantages, promote each other's development, cooperate with each other rather than constraining each other.

General Secretary Jiang Zemin said that at present, in retrospect, we find that Comrade Xiaoping indeed had unparalleled foresight by formulating the policy of reform and opening, and the practice in the previous period and the great achievements made by the special economic zones and Guangdong all prove the complete correctness of this policy. It is now completely undoubted and more and more obvious that some localities should be allowed to get rich ahead of others through reform and opening, thus achieving the objective of common affluence.

He said that he had visited Shenzhen, Zhuhai, Shantou, and Foshan as well. In retrospect, the path of development was traversed step by step. First, production was labor-intensive, and technology was not advanced. Through a certain period of development, the labor-intensive production structure has been gradually changed into a technology-intensive and capital-intensive production structure. At present, the gross

domestic product of 220 billion yuan is a great achievement for the special economic zones in Guangdong and for the whole province of Guangdong as well.

As compared with the general situation in the whole country and with the interior localities, Guangdong has been developing much faster. Jiang Zemin said that this is rather normal. People in the whole country should not think that the 30 provinces have to advance abreast at the same pace, because this is not feasible. There inevitably exists differences and unevenness, and the speed of development certainly varies from one locality to another. Due to the differences in historical and natural conditions, he said, the existence of unevenness in development is inevitable. So it is quite natural that the coastal areas should develop faster.

Finally, the general secretary said: The earlier an area was opened up and the more developed the local economy is opened, the more necessary it is to emancipate the mind. He summed up his encouragement to Guangdong in 64 characters: Emancipating the mind, seeking truth from facts; actively exploring and boldly breaking new ground; working hard and braving difficulties; learning from foreign countries and making unremitting effort to seek self-strengthening; remaining modest, prudent, and free from arrogance and rashness; being of one heart and one mind, and taking the interests of the whole into account; being industrious, thrifty, honest, upright, and incorrupt; making vigorous efforts to make the country prosperous and making selfless contributions.

He then elaborated these words, saying that there is a dialectical relationship between emancipating the mind and seeking truth from facts. A long journey of 1,000 miles is started by taking the first step. If we only call for emancipating the mind and pay no attention to the actual conditions, things may run counter to our desire. As a path is always made by people's tread, we advocate the need to explore actively. Guangdong's experience, including that with the special economic zones, was the fruit of exploratory efforts.

Many examples of bravely breaking new ground and working hard can be found among you deputies from Hong Kong. Mr Fok Ying-tung experienced a good deal of hardships in the days of establishing his business. No one can accomplish a feat by just sitting idly and cozily. There are certainly many difficulties in the course of advance, so we must be ready to brave difficulties and must not be daunted by difficulties. By learning from foreign countries, we mean that it is necessary to absorb the good culture and advanced technology of other peoples; by making unremitting effort to seek self-strengthening, we mean that when learning from foreigners, we cannot discard the good things passed down by our ancestors.

When explaining the need to remain modest, prudent, and free from arrogance and rashness, Jiang Zemin said: Recently, newspapers often carry foreign commentaries,

saying that China would effect the economic take-off in the 21st century, and the Chinese economy was going full steam ahead. The newspapers intended to show that other peoples were praising us, but we must never become self-satisfied or get intoxicated with our achievements. Instead, we should be alert to our shortcomings.

Our country is too big, and the conditions of the 30 provinces and municipalities vary. Therefore, we should all be of one heart and one mind and take the interests of the whole into account. As for being industrious, thrifty, honest, upright, and incorrupt, he said: "I think that if corruption remains unchecked, it will be very difficult for us to ensure that society is developing along a healthy course. In history, corruption always eventually led to the destruction of the whole regime. The issue of keeping ourselves upright and incorrupt is related to power from top to bottom. A Chinese ancient saying goes that if the upper beam is not straight, the lower ones will go askant; if the middle beam is not straight, the house will collapse. 'Without keeping oneself upright, how can one keep others upright? Example is better than precept.'"

While explaining the point of making vigorous efforts to make the country prosperous and making selfless contributions, he said that as the ancient saying goes, "every man has a share of responsibility for the fate of his country." So it is necessary to require cadres and the masses to contribute actively to the nation's prosperity and development.

Jiang Zemin Meets Jiangsu NPC Delegation

OW2603000693 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 25 Mar 93

[From the "News" program]

[Text] At 1500 today, Jiang Zemin, general secretary of the CPC Central Committee, called on all members and workers of the Jiangsu provincial delegation at the First Session of the Eighth National People's Congress and had a group photo taken with them.

General Secretary Jiang wittily said to deputies: I am afraid I will not be able to call on every delegation from the 30 provinces, autonomous regions, and municipalities. Fortunately, I am sure that comrades from Jiangsu will not [words indistinct] me. Have we not known each other very well? Everyone applauded after hearing this.

General Secretary Jiang said: Jiangsu has done very well in the past few years. I sincerely hope that Jiangsu will score greater achievements in all fields of endeavor and in development in all areas. He pointed out: Agriculture is a major issue. China now has a population of more than 1.1 billion. Therefore, we must never think that we have fully resolved the agriculture problem. A miss is as good as a mile. The situation will become very serious if we let down our guard even a little bit. The entire year's work depends on the good start in spring: If we do good spring farming work now, we will reap a bumper harvest

of summer grain. General Secretary Jiang expressed the hope that Jiangsu, both the southern and northern parts of the province, would ensure good agricultural work while developing industry. Smiling, he said to the deputies: Please do me a favor! Deputies answered General Secretary Jiang's [words indistinct] with warm applause.

Zhu Rongji, Henan Delegation Hold Discussions

OW2503141793 Beijing XINHUA Domestic Service in Chinese 1521 GMT 24 Mar 93

[Text] Beijing, 24 Mar (XINHUA)—Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier of the State Council, joined a discussion of the Henan delegation this morning. He stressed: The promulgation and implementation of the "Regulations Concerning the Transformation of the Operational Mechanism of State-Owned Enterprises" represent a major step in deepening enterprise reforms, and a major component in the establishment of a socialist market economic system. The "regulations," when put into effect, will have a major impact on the development of state-owned large and medium enterprises.

Today, many comrades in the Henan delegation offered many perceptive suggestions with regard to problems facing state-owned enterprises and ways to make improvements. After hearing their remarks, Zhu Rongji stated some important views. First, he emphasized that it is necessary to fully affirm and correctly understand the importance of the "regulations," which were formulated—after eight months of work by relevant departments and localities and based on extensive consultations and repeated discussions in line with the guidance of the talks given by Comrade Deng Xiaoping when he visited the south last year and the guidelines of the March 1992 plenary session of the CPC Central Committee Political Bureau—and promulgated by the State Council. The "regulations," which encapsulate past successful experience in enterprise reforms, is highly practical; it is a useful weapon for improving the operations of state-owned enterprises and transforming their operational mechanisms. Currently, there is a tendency toward unwillingness to fully study, understand, and implement the "regulations" and of underestimating their functions. This is not conducive to the implementation of the regulations, the exercise of enterprises' autonomy, and the transformation of enterprise operational mechanisms.

Zhu Rongji said: The "regulations"—a product of certain historical conditions—will not be able to solve all problems that may materialize in the course of transforming enterprise operational mechanism. For enterprises to truly shift their work onto the track of optimizing the structure and improving the efficiency, certain external conditions and coordinated reforms are indispensable. Today, this means the following two things: First, the government must change its functions. If government departments continue to run economic

affairs by sticking to the old ideas and structure, and if they do not get rid of their old habits of directly meddling in the operations and management of enterprises, transforming operational mechanism will be empty talk; second, the market's fundamental role in the allocation of resources should be brought into full play. If we continue to let heads of administrative departments decide on projects, if we continue to allow localities to rush headlong to duplicate low-level construction projects, supply of some products will exceed demand, making it difficult for enterprises to improve their economic efficiency. Therefore, we must implement reforms of the planning, financial, and banking systems in a well-coordinated manner; and the emphasis should be on the establishment of investment restraining mechanisms and macroeconomic regulation and control mechanisms.

Zhu Rongji pointed out: While fully implementing the "regulations," we must also, in the course of practice, formulate and improve rules for their implementation. Today, there are three problems that needed to be settled: First, we should step up efforts in formulating rules for implementing the "regulations." The majority of provinces and municipalities have adopted such rules and have submitted them to the State Council Economic and Trade Office for approval. However, some regions have not formulated such rules; some departments that are charged with overall responsibilities, in particular, have yet to work out rules for implementation. We should step up efforts in formulating the rules and have them promulgated for implementation. Second, we should continue studying and straightening out the relations between ownership and management of enterprises, see to it that state assets are preserved and their value increased, and prevent them from sustaining losses. As of now, the "regulations" do not have specific provisions on this point. It is time that we increased efforts in formulating relevant laws and regulations to clearly define ownership responsibilities. Third, we should improve supervision mechanisms over state-owned enterprises, including banking enterprises; we must see to it that enterprises operate independently and assume full responsibility for their own profits and losses. To this end, we should study ways to establish an internal self-restraining mechanism in enterprises as well as an effective oversight mechanism.

Zhu Rongji also commented on punishing corruption and cracking down on counterfeit and shoddy commodities. He said: The people detest corruption and counterfeit and shoddy goods. Party committees and governments at all levels must take corruption and counterfeit and shoddy goods seriously, and attend to them as a top priority. He pointed out, in all earnestness, the great harm done by counterfeit medicines, suggesting that commodity quality inspection, judicial, and public security departments retry, according to law, major cases involving deaths by counterfeit medicines, and publish the outcome to the public.

Those who spoke at the discussion were Deputy Ma Zhongchen, acting governor of Henan Province; Deputy Lin Kongxing, director of the Henan Provincial Power Bureau; Deputy Zhang Shijun, mayor of Luoyang City; Deputy Jing Xianzhao, Xinyang Prefectural Commissioner; Deputy Wang Zhenqiu, director of the Zhengzhou Railway Bureau; Deputy Wang Rixin, secretary of the Kaifeng City CPC Committee; Deputy Yu Mingshan from Luoyang Mining Equipment Plant; and Deputy Yu Jiahua, director of the No. 1 Tractor Manufacturing Plant.

Yue Qifeng on Revitalizing Liaoning Industry

OW2603021193 Beijing XINHUA Domestic Service in Chinese 1458 GMT 24 Mar 93

[By reporters Li Xiaolin (2621 1420 2651) and Lu Xiaohua (7120 1420 5478)]

[Text] Beijing, 24 Mar (XINHUA)—At a news conference held at the "two sessions" information center this morning [24 March], [Liaoning] Governor Yue Qifeng said that the "northeast situation," which has caused concern at home and abroad, has diminished but not been totally eliminated. People in Liaoning are working hard to revitalize industrial production and rejuvenate the old industrial base.

Our country's heavy industrial base is located in the three northeastern provinces. Due to a long period of influence by the planned economy, a situation of lagging behind in ideological understanding; having outmoded in equipment and facilities; lacking competitive power in industrial production; having slow economic development, low economic efficiency, and decreasing revenue income, has arisen. This is the so-called "northeast situation."

Yue Qifeng said: Inspired by Comrade Deng Xiaoping's talks made during his southern inspection tour and the guidelines of the 14th CPC National Congress, last year Liaoning's entire economy reached a turning point and started to develop at a faster pace. In 1992, GNP reached 129.5 billion yuan, an increase of 11.3 percent over the previous year. Total industrial output value scored an 18.9 percent growth over the previous year. Total profits and taxes increased by 31.6 percent over the previous year, of which profits increased by 120 percent. The proportion of loss-making enterprises out of the total was reduced by more than 20 percent, reducing loss-making enterprises from over 60 percent to 34 percent of the total number of industrial enterprises under local budget. The overall situation in Liaoning is now better than expected, and the "northeast situation" is gradually being eliminated.

Yue Qifeng said: However, thoroughly eliminating the "northeast situation" will require a relatively long period. In analyzing the reasons for the difficulty in totally eliminating the "northeast situation" Yue Qifeng said: As one of the country's industrial bases, for several decades Liaoning implemented the "three-unitary"

system, that is, a unitary planned economy, unitary ownership system, and unitary sources of revenue income. The "three-unitary" system has had a profound influence upon and restricted the development of state-owned large and medium enterprises. In its economic development method, for a long time Liaoning has made high investments with low output and small accumulation. Economic efficiency is poor and returns from large investments have been very small. For many years, the production structure has been unwise with emphasis laid on producing unrefined and bulky products. These products have low added value and a small sci-tech input, and so their competitive power is also poor. These problems cannot be solved overnight and must be overcome step by step through deepening reform.

Yue Qifeng continued: In the past, people in Liaoning worked very hard building the old industrial bases. Today, in the course of thoroughly eliminating the "northeast situation," people in Liaoning must inherit and carry forward the older generation's spirit of hard struggle, start the second pioneering venture, and revitalize industrial production.

In answering reporters' questions, Yue Qifeng said: The second pioneering venture has become the goal of struggle of 40 million people in Liaoning. Through this venture, we will mainly accomplish the following three tasks: 1) It is necessary to realize the transformation from a planned economy to a market economy. We should "revitalize" the state-owned large and medium enterprises by adopting a policy of enabling enterprises to build up their strength through recuperation, and accelerate the transformation of old enterprises to invigorate state-owned large and medium enterprises. 2) While tackling the problems of state-owned large and medium enterprises, we should develop new economic projects including new and high-tech industries, tertiary industry, joint ventures, cooperative enterprises, wholly foreign-funded enterprises, and private enterprises. We should also develop the individual economy and mixed economy [hun he jing ji 3236 0678 4842 3444]. 3) In developing the economy, we should lay emphasis on increasing economic results and ensure high output with low investment. We should speed up the accumulation of funds, totally eliminate the "northeast situation," and rejuvenate the old industrial base.

Deputies Begin Reviewing Leadership Candidates

OW2603055093 Beijing XINHUA Domestic Service in Chinese 2137 GMT 24 Mar 93

[Text] Beijing, 25 Mar (XINHUA)—Beginning today, deputies attending the First Session of the Eighth National People's Congress [NPC] have started considering the candidates nominated for leading offices in state organs.

The namelists of candidates—including candidates for the chairman, vice chairmen, secretary general, and members of the NPC Standing Committee; candidates for state president and vice president; chairman of the

Central Military Commission; president of the Supreme People's Court; and procurator general of the Supreme People's Procuratorate—were drafted by the CPC Central Committee and approved by the Presidium of the current session by voting.

At the third meeting of the Presidium of the current NPC session yesterday afternoon, Hu Jintao, executive chairman of the Presidium, explained the draft namelist.

'Provisional List' of Line-up

OW2503150293 Tokyo KYODO in English 1437 GMT
25 Mar 93

[Text] Beijing, March 25 KYODC—The following is a provisional list obtained by KYODO NEWS SERVICE of China's State Council line-up: * means retains their post state [as received] Premier: Li Peng* Vice-Premiers: Zhu Rongji*

Zou Jiahua*

Qian Qichen

Li Lanqing State Councillors: Li Tieying*

Chi Haotian

Song Jian*

Li Guixian*

Chen Junsheng*

Ismail Amat

Peng Peiyun

Luo Gan Minister of Foreign Affairs: Qian Qichen*

Minister of National Defense: Chi Haotian

Minister of State Planning Commission: Chen Jinhua

Minister of State Commission for Restructuring Economy: Li Tieying

Minister of State Education Commission: Zhu Kaixuan

Minister of State Science and Technology Commission: Song Jian*

Minister of State Commission of Science, Technology and Industry for National Defense: Ding Henggao*

Minister of State Commission for Economics and Trade: Wang Zhongyu

Minister of State Nationalities Affairs Commission: Ismail Amat*

Minister of Public Security: Tao Siju*

Minister of State Security: Jia Chunwang*

Minister of Supervision: Cao Qingze

Minister of Civil Affairs: Doje Cering

Minister of Justice: Xiao Yang

Minister of Labor: Li Boyong

Minister of Geology and Mineral Resources: Zhu Xun*

Minister of Construction: Hou Jie*

Minister of Railways: Han Zhubin*

Minister of Electrical Power: Shi Dazhen

Minister of Metallurgical Industry: Liu Qi

Minister of Chemical Industry: Gu Xiulian (F) [female]*

Minister of Personnel: Song Defu

Minister of Finance: Liu Zhongli*

Minister of Communications: Huang Zhendong*

Minister of Water Resources: Niu Maosheng

Minister of Posts and Telecommunications: Wu Jichuan

Minister of Agriculture: Liu Jiang

Minister of Forestry: Xu Youfang

Minister of Internal Trade: Zhang Haoruo

Minister of Foreign Economic and Trade Cooperation: Wu Yi (F)

Minister of Culture: Liu Zhongde*

Minister of Radio, Film and Television: Ai Zhisheng*

Minister of Public Health: Chen Minzhang*

Minister of State Physical Culture and Sports Commission: Wu Shaozu*

Minister of State Family Planning Commission: Peng Peiyun*

Minister of Machine-Building: He Guanyuan

Minister of Electronics: Hu Qili

Minister of Coal: Wang Senhao

Governor of People's Bank of China: Li Guixian*

Auditor General of Auditing Administration: Lu Peijian*

Li Peng To Head New Cabinet

OW2503132793 Tokyo KYODO in English 1315 GMT
25 Mar 93

[Text] Beijing, March 25 KYODO—Chinese Premier Li Peng will be elected to a new five-year term next week at the head of a fresh government team which includes at least 16 new ministers, informed Chinese sources said Thursday [25 March].

The new State Council will have four vice premiers, including Zhu Rongji and Zou Jiahua who retain their posts.

They are joined by Foreign Minister Qian Qichen and outgoing Foreign Trade Minister Li Lanqing, the sources said. Former Vice Premiers Tian Jiyun, Wu Xueqian and Yao Yilin have all stepped down.

Chinese leaders are expected to start officially announcing members of the new government team on Saturday and will be done by Wednesday at the end of the current parliament session.

Former Communist Party Politburo Standing Committee Member Hu Qili, who was dismissed at the height of democracy protests in 1989, has been appointed to head the new Ministry of Electronics, the sources said.

The sources also confirmed that Politburo Standing Committee Member Qiao Shi has been chosen to replace Wan Li as chairman of the National People's Congress, China's parliament.

He will oversee 19 vice chairmen including Tian Jiyun, outgoing Defense Minister Qin Jiwei and former Finance Minister Wang Bingqian.

Gen. Chi Haotian will replace Qin as defense minister. Chi also joins five other generals on the new State Central Military Commission which exactly mirrors its Communist Party counterpart with Jiang Zemin at the helm.

Jiang will also become state president, replacing Yang Shangkun, the sources said.

The new vice president is to be Rong Yiren, an industrialist who has earned the nickname "China's red capitalist" because of his successful tenure as chairman of China International Trust and Investment Corp.

Several key ministries will change hands, including those covering agriculture, justice, forestry and foreign economics and trade. The new ministers for these portfolios are Liu Jiang, Xiao Yang, Xu Youfang, and Wu Yi, respectively.

There will be eight state councillors, including newcomers Chi Haotian, Simayi Ismail, Luo Gan and Peng Peiyun, the only woman member and the head of the State Family Planning Commission, the sources said.

Presidium Approves Draft Lists

OW2603090793 Beijing XINHUA Domestic Service in Chinese 0247 GMT 26 Mar 93

[Text] Beijing, 26 Mar (XINHUA)—The presidium of the First Session of the Eighth National People's Congress [NPC] convened its fourth meeting this morning. The presidium adopted, by vote, draft namelists of candidates for the leadership of state organs, which will be distributed among the deputies and submitted to the session for election.

The candidate lists include: personnel of the Eighth Standing Committee, state president and vice president, chairman of the Central Military Commission, president of the Supreme People's Court, and procurator general of the Supreme People's Procuratorate. Earlier, the five draft candidate lists were approved by the presidium at its third meeting. The lists were discussed by NPC deputies and they met with general approval. Some deputies made suggestions and voiced opinions on the candidate lists. Hu Jintao, a presidium executive chairman, explained the suggestions and opinions today.

After deliberations, the NPC deputies nominated 32 election scrutineers. After an examination by presidium executive chairmen, they recommended that Zhu Zhongmin and Song Shuai be appointed general scrutineers. The draft list, which was approved by a presidium vote today, will be distributed among the deputies and submitted to the session for election.

Qiao Shi, a presidium executive chairman, presided over today's meeting. He said: In accordance with deputies' suggestions and operational needs, it is suggested that, in addition to the present special committees, the Eighth NPC set up a Committee for Environmental Protection whose chief responsibilities will be formulating draft laws and proposals on resources and the environment, examining relevant motions, and helping the NPC Standing Committee carry out supervision of resources and the environment.

Draft lists—recommended by the CPC Central Committee—for members of the Nationalities Committee; Internal and Judicial Affairs Committee; Education, Science, Culture, and Public Health Committee; Foreign

Affairs Committee; Overseas Chinese Affairs Committee; and the Committee for Environmental Protection were announced at the meeting. The meeting approved the draft lists by vote; they will be sent, as presidium nominees, to the various delegations for deliberation and then submitted to the session for election.

Li Peng Names 'Young Technocrats' to Leadership

HK2603025593 Hong Kong SOUTH CHINA MORNING POST in English 26 Mar 93 p 1

[By Chris Yeung in Beijing]

[Text] Chinese Prime Minister Mr Li Peng has named a corps of relatively young technocrats to head the 41 commissions and ministries in the Government.

The full line-up of the State Council, together with major state, military and judicial positions, will be rubber-stamped by the 2,977 delegates attending the National People's Congress (NPC) over the weekend.

According to a final list of nominees obtained by the South China Morning Post the reshuffle will be one of the largest in Communist-Chinese history.

Aiding Mr Li, whose term will be renewed for five years on Sunday, will be four vice-premiers, eight state councillors and 41 ministers, 22 of whom are new faces.

Coupling with a bold exercise to revamp the structure of the State Council, the new-look cabinet features both mergers and divisions among the 41 ministries.

Foreign Minister Mr Qian Qichen and Foreign Trade Minister Mr Li Lanqing will join two incumbents, Mr Zhu Rongji and Mr Zou Jiahua as vice-premiers.

Mr Zhu, a protege of patriarch Mr Deng Xiaoping, will be named Executive Vice-Premier with overall charge of the economy.

The Communist Party General Secretary, Mr Jiang Zemin, is the only candidate to replace the 85-year-old Mr Yang Shangkun as State President.

The post of Vice-President, vacated by the late Mr Wang Zhen, will go to Mr Rong Yiren, China's famous "red capitalist".

Mr Jiang will also be named Chairman of the State Military Commission, enabling him to become for the first time since Maoist leader Mr Hua Guofeng, head of party, state and the army.

Nominees for the two military commission vice-chairmen are General Liu Huaqing and General Zhang Zhen.

Four other members of the commission are General Chi Haotian, the Defence Minister-designate; General Zhang Wannian, General Yu Yongbo and General Fu Yongyou.

While the incumbent, Mr Ren Jianxin, will retain his post as President of the Supreme People's Court, the President of the Supreme People's Procuratorate, Mr Liu Fuzhi, will be replaced by his deputy, Mr Zhang Siqing.

The eight State Councillors are: Mr Li Tieying, in charge of restructuring the economy; State Council trouble-shooter Mr Luo Gan; central banker Mr Li Guixian; technology chief Mr Song Jian; family planning chief Ms Peng Peiyun; head of minority nationalities Mr Ismail Amat; General Chi Haotian and Mr Chen Junsheng.

As expected, three incumbent vice-premiers, Mr Yao Yilin, Mr Tian Jiyun and Mr Wu Xueqian, are stepping down.

Wang Zhongyu To Head Economic Commission

HK2603030293 Hong Kong *THE STANDARD* in English 26 Mar 93 p 8

[By Agnes Cheung in Beijing]

[Text] A dark horse technocrat has been named to head the newly elevated State Economic and Trade Commission, while a liberal and former Politburo Standing Committee member is to become a cabinet minister under the latest central government reshuffle proposals.

Wang Zhongyu, currently deputy director of the Economic and Trade Office (ETO) under the State Council, will be promoted to be the minister in charge of the State Economic and Trade Commission, an expanded version of the ETO.

The surprise promotion came after expectations that Li Lanqing, who will become a vice-premier, would head the new commission concurrently.

Wang, 60, was newly elected to the Central Committee of the Communist Party at last October's 14th congress.

The new commission is charged with the task of strengthening co-ordination on major issues of the national economy including the development of a market economy.

On the list of ministerial changes passed by the presidium of the Chinese legislature, former Politburo Standing Committee member Hu Qili has been proposed to head the Ministry of Electronics Industry. Hu was ousted from his top positions in the party after the 4 June crackdown on the pro-democracy movement in 1989.

The ministry of which Hu will take charge is a new government branch evolved from the original Ministry of Machine-Building and Electronics Industry.

Under the proposed reshuffles, Li Tieying will become the minister in charge of the State Commission for Restructuring the Economic System, replacing Chen Jinhua who is to succeed Zou Jiahua as the head of the State Planning Commission.

The top job of the State Education Commission will be taken up by Zhu Kaixuan.

Vice-minister of Foreign Economic Relations and Trade Wu Yi is to be elevated to the new post of Minister of Foreign Trade and Economic Co-operation.

The newly established Ministry of Internal Trade will be headed by Zhang Haoruo, former governor of Sichuan province. At its meeting, the presidium of the National People's Congress (NPC) also passed the candidates lists of the top state positions and the leadership of the Chinese legislature.

Local XINHUA head Zhou Nan is on the proposed membership list of the Standing Committee of the NPC.

The lists of the new government and state leadership are being discussed by NPC deputies who are expected to approve the candidates early next week.

Deng Said Seeking Unity Through Appointments

HK2603024093 Hong Kong *SOUTH CHINA MORNING POST* in English 26 Mar 93 p 12

[Article by Willy Wo-lap Lam and Chris Yeung in Beijing]

[Text] The new line-up of top state, government, and legislative positions released to legislators yesterday is an attempt by patriarch Mr Deng Xiaoping to satisfy all major factions while ensuring stability in the event of his demise.

Sources close to the State Council said the bulk of the eight State Councillors and 41 ministers to be confirmed by the National People's Congress (NPC) during the weekend are relatively moderate technocrats.

They are entrusted to promote Mr Deng's economic reforms while imposing a tight control over ideology and culture.

The sources said the line-up had opened the way for "red-hot competition" between the two supremos in the central Government, Prime Minister Mr Li Peng and Executive Vice-Premier Mr Zhu Rongji.

Several state councillors and ministers have distinct affiliations with Mr Li, on account either of having studied in the Eastern Bloc or of leaning towards central planning and hardline socialism.

They include Vice-Premier Mr Zou Jiahua; State Councillor in charge of economic restructuring Mr Li Tieying; family planning chief Ms Peng Peiyun; central banker Mr Li Guixian; education chief Mr Zhu Kaixuan; Minister of Water Resources Mr Niu Mao-sheng; and Minister of Culture, Mr Liu Zhongde.

However, under Mr Deng's personal orders, Mr Li Peng has, with the exception of finance and real estate, had to surrender the bulk of his economic portfolios to Mr Zhu Rongji.

China analysts see the ability of Mr Zhu to name a protege, Mr Wang Zhongyu, as head of the Economics and Trade Commission as a sign of his strength.

The commission has been dubbed a "mini-State Council" on account of its having control over areas including securities and shareholding companies; the transformation of state enterprises; foreign trade; and energy and resources.

Other allies of Mr Zhu include Vice-Premier in charge of foreign trade, Mr Li Lanqing, and the new Minister of the State Planning Commission, Mr Chen Jinhua.

The analysts said, however, the fact that Mr Li Tieying, who has sided with the conservatives since mid-1989, is in charge of economic restructuring might pose problems for Mr Zhu.

Of the 41 new ministers, only three are associated with the liberal faction led by the former party chiefs, the late Mr Hu Yaobang and Mr Zhao Ziyang.

Sources said until last week, it was doubted whether Mr Hu Qili, a former aide to Mr Zhao, could be made Minister of Electronics.

In spite of his having agreed to work with the post-Tiananmen Square administration, Mr Hu has been under attack by remnant Maoists.

The new Minister of Personnel, Mr Song Defu, is a member of the Communist Youth League faction.

However, Mr Song is believed to have been active in the purge of "bourgeois-liberal" cadres after June 4, 1989.

State Councillor Mr Chen Junsheng, a former Zhao aide, has kept his title but he has yet to be given a major portfolio.

The Beijing intelligentsia, however, is relieved that the bulk of the "leftist", or conservative, ministers who have been criticised by Mr Deng, have been removed.

The exception is the Minister of Radio, Film, and Television, Mr Ai Zhisheng, a hardline ideologue.

Western diplomats said the leadership seemed to have decided not to appoint leaders from the "democratic parties" to top Government posts.

The bulk of the non-Communist politicians favoured by Beijing have instead been given senior posts in the NPC hierarchy.

The state vice-presidency, an honorary position, has been bestowed upon non-Communist "red capitalist" Mr Rong Yiren.

While 2 of the 41 ministers are assuming their portfolios for the first time, analysts are disappointed by the dearth of new faces who would be bold in reform.

They say in spite of Beijing's determination to streamline the government structure and chop off dead wood,

the leadership has to "reserve" ministerial positions to representatives from the different factions.

Jiang Urges Shanxi To Develop Energy Industry

*OW2503145293 Beijing XINHUA in English 1349
GMT 25 Mar 93*

[Text] Beijing, March 25 (XINHUA)—Chinese Communist Party (CPC) General Secretary Jiang Zemin today urged Shanxi Province, the leading coal producer in China, to develop energy, heavy and chemical industries.

Jiang and Shanxi deputies to the Eighth National People's Congress (NPC) discussed the Government Work Report, draft amendments to the Constitution and how to boost Shanxi's economy here this afternoon.

After hearing the deputies' suggestions and opinions, Jiang said Shanxi has scored great achievements in economic and social development in the past decade.

Jiang said Shanxi should continue to give emphasis to energy, heavy and chemical industries. The development of energy industry will bring about a take-off of the local economy, he added. He pledged the CPC Central Committee's and the central government's support for the construction of the energy, heavy and chemical industrial base in Shanxi.

Referring to Shanxi's supply of energy to other parts of the country, Jiang urged the province to make further contribution to economic development of others.

Jiang stressed importance of agricultural production, rural work and mobilization and protection of initiatives of farmers as Shanxi is an agricultural province. "Leading officials should go down among farmers and discuss with them methods and measures to overcome difficulties, promote agricultural production and accelerate rural economic development," he said.

"Officials should concern themselves with the people in poverty-stricken areas and help them develop economy and adopt new farming techniques," he said.

As water conservancy facilities are a key factor for farming in the semi-arid province, Jiang called for high standards in construction of the project to divert water from the Yellow River.

Jiang pointed out that Shanxi has the fine tradition of hard struggle. He expressed the hope that local officials and people in Shanxi will carry forward the "precious pioneering spirit" in all aspects.

Deputies Say Locals Back Macao Basic Law

*OW2503151893 Beijing XINHUA in English 1414
GMT 25 Mar 93*

[Text] Beijing, March 25 (XINHUA)—Guangdong as well as Hong Kong and Macao deputies to the Eighth National People's Congress (NPC) agreed that the draft Basic Law of the Macao Special Administrative Region,

which reflects the principle of "one country, two systems," is a law showing democratic and open principles and has sound basis among the local people.

The draft Basic Law, which will be submitted for approval at the current session of the NPC, will facilitate smooth transition and promote common prosperity of the mainland, Hong Kong and Macao, according to the deputies.

Macao deputies, who have participated in the drafting and consultation, said that during the drafting process of the Basic Law, some 50 meetings were held to solicit opinions and suggestions from all walks of life in Macao. Therefore, it reflects interests of all circles in Macao and is favored by the overwhelming majority of local citizens.

Tang Seng Chiu, chairman of the Macao Federation of Trade Unions, said the adoption of the Basic Law will mark the beginning of the transition period of Macao.

As a member of the Consultative Committee of the Basic Law, Tang considered the Basic Law a success. But a lot of work needs to be done during the transition period, especially localization of civil servants, laws and languages. Localization in the three fields will be the key to smooth transition and realization of running Macao by Macao citizens.

Ke Zhengping, who has lived in Macao for over 50 years, said though Macao is small in area, it has special political and economic significance. The booming economy in the Pearl River delta has promoted economic development of Macao. In the future, the mainland and Macao will be linked more closely, he said.

Owing to geographical proximity, NPC deputies from Guangdong showed great interest in the Macao Basic Law, which they said reflects the spirit of "one country, two systems." The draft law follows the traditional practice and customs of Macao in terms of economic development and format of administration, they said.

Fang Bao, vice chairman of the Standing Committee of the Guangdong Provincial People's Congress, said that with its extensive links with other parts of the world and experiences in developing foreign trade, Macao can serve as a bridge for Guangdong's involvement in the international economy.

The Basic Law, once adopted, will facilitate cooperation between the mutually complimentary economies of Macao and the mainland, he said.

Deputy You Jingyu from Zhuhai, a special economic zone bordering on Macao, said while Macao will serve as a passage for Zhuhai to enter the outside world, the latter's agriculture, industry, and particularly its strength in science, technology and talented personnel, will support future development of Macao, he said.

Taiwan Urged To Respond to CPC Proposal

OW2503135693 Beijing XINHUA Domestic Service in Chinese 1105 GMT 25 Mar 93

[By reporters Zhao Wei (6392 5898) and Li Xiguang (2621 1585 0342)]

[Text] Beijing, 25 Mar (XINHUA)—After listening to the opinions expressed today by the Taiwan delegation attending the current First Session of the Eighth National People's Congress, Wang Zhaoguo, director of the State Council Taiwan Affairs Office, said: Relations between the two sides of the Taiwan Strait have continued to develop in the past few years. This situation is worth noting. Regarding changes in the political situation on Taiwan island, we welcome any changes that will help promote relations between the two sides and that are conducive to peaceful reunification of the motherland; we will resolutely oppose anything that is unfavorable to the great cause of peaceful reunification of the motherland.

Wang Zhaoguo said: Early realization of the peaceful reunification of the motherland represents the common desire of all Chinese people. In this connection, the Communist Party of China and the central government have raised proposals on many occasions that both sides make contact and hold talks at an early date for the purpose of ending hostilities between the two sides and gradually realizing peaceful reunification. We hope that the Taiwan side makes a positive response.

Asked about the meaning of the phrase "both sides," Wang Zhaoguo said: Chinese on both sides of the strait recognize that there is only one China, but if we want to end separation and realize the reunification of the motherland, we must, first of all, talk. We have consistently advocated talks between the two parties. We advocate this by proceeding from the realities about the status and roles of the Kuomintang and CPC, and because we want to avoid anything inconvenient for the Taiwan side. On this point, General Secretary Jiang Zemin has explicitly indicated that representative people of other parties and groups or organizations will be allowed to take part in the negotiations between the two parties. The idea is to end hostilities at an early date and make contact as soon as possible so as to make preparations for further negotiations. As for the contents of negotiations, the questions of ending hostilities and gradually realizing peaceful reunification may be discussed, and other questions of interest to the Taiwan side may also be aired. The form of negotiations may be discussed in the course of making contacts, to help find a method both sides deem appropriate. Any questions can be discussed so long as both sides sit down for talks under the principle that there is only one China.

Wang Zhaoguo also explained the "drastic measures" mentioned in the government work report. He said: The central authorities have time and again reiterated that our refusal to promise not to use force is certainly not directed at the people of Taiwan but at foreign forces

attempting to undermine China's reunification, and at the Taiwan independence movement. That is very definite. He stressed that we place still greater hopes on the Taiwan people in realizing peaceful reunification of the motherland. He pointed out that it was necessary to pay close attention to the fact that a small number of Taiwan independence elements were stirring up trouble and that some foreign forces supported the Taiwan independence forces as a way of deliberately creating obstacles to China's reunification. The Chinese people would not tolerate this. He says if the question of independence for Taiwan looms or if foreign forces interfere in the Taiwan issue, we will not hesitate to take any necessary measures, no matter how drastic, to safeguard state sovereignty and territorial integrity.

Wang Zhaoguo also expressed the hope that the forthcoming meeting between Wang Daohan, president of the mainland's Association for Relations Across the Taiwan Strait, and Gu Zhenfu, chairman of Taiwan's Straits Exchange Foundation, would be successful.

PLA Deputies on Socialist Spiritual Civilization

OW2603133993 Beijing XINHUA Domestic Service in Chinese 1441 GMT 25 Mar 93

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 25 Mar (XINHUA)—In the new situation of reform and opening up to the outside world, the People's Liberation Army [PLA] should march ahead of society in playing a leading role in building a socialist spiritual civilization. This represents the views of many PLA deputies attending the First Session of the Eighth National People's Congress [NPC].

Deputy Fang Zuqi said: We should grasp the building of material and spiritual civilizations simultaneously in the entire process of socialist modernization. This principle was proposed by Comrade Xiaoping and has been consistently encouraged by the party Central Committee with Comrades Deng Xiaoping and Jiang Zemin at the core. During a time in the past, the most serious mistake we made was in the field of education, mainly ideological-political education. We should draw a lesson from this and do a good job in ideological-political work as best we can, so as to promote the development of spiritual civilization. Some negative phenomena have appeared in the course of accelerating the establishment of a socialist market economy. We must resist, criticize, and correct mistakes and ugly things. We must not treat these things indifferently; even less, should we allow them to run rampant so as to corrupt people's thinking and souls. The PLA should do a better job in the field of building a spiritual civilization. In particular, it should vigorously carry forward the fine traditions of our party and our Army and vigorously carry forward the "five revolutionary spirits" initiated by Comrade Deng Xiaoping, so as to forever preserve the true color of the old Red Army.

Deputy Yang Hanwen said: When he spoke at the PLA delegation's plenary meeting, Military Commission Chairman Jiang Zemin called on all Army units to do a good job in taking the lead in building a spiritual civilization. At present, the Army should further arm its cadres and fighters with the theory of building socialism with Chinese characteristics and continue to enhance officers' and soldiers' consciousness and firmness in implementing the party's basic line. Acceleration of the pace of reform and of opening up the country to the outside world and the gradual establishment of a socialist economy will inevitably have some impact on the thinking of Army units and the vital interests of cadres and fighters. To cope with this, we should vigorously advocate the "five revolutionary spirits" initiated by Comrade Deng Xiaoping, and be firm in carrying out the purpose of wholeheartedly serving the people. This is the best way to take a leading role in building a spiritual civilization.

Deputy Chen Zhangyuan said: In the development of a socialist market economy, new situations have emerged in our press and publishing work. Some newspapers, magazines, and publishing houses seek only profit and disregard obligations, while some publications pander to some readers' desires to seek novelty and low tastes, thus poisoning the physical and mental health of young people and giving rise to unhealthy social effects. Since the press and publications serve as an important "position" for strengthening the building of a spiritual civilization, we should make great efforts to strengthen it and manage it well. The Army's press and publishing work should do a good job in taking the lead in this respect, firmly adhere to the correct orientation, and put social benefit above everything else. Furthermore, it should help boost the Army's construction and reforms and help it promote healthy trends.

Deputy Zheng Bangyu said: Culture and art are important parts of the building of a socialist spiritual civilization. Literary and art work should always adhere to the principles of serving the people and socialism and of letting a hundred flowers bloom and a hundred schools of thought contend. The Army's literary and art work must also meet the special requirement of consolidating and heightening the Army's fighting capacity. Literary and art work in the Army constitutes an important part of ideological-political work. Fine traditions have been passed on from the old Red Army's propaganda team to the cultural work group of the old Eighth Route Army and to the present-day specialized literary and art troupes of the Army. It is necessary to use the most perfect forms of art and to use patriotism and revolutionary heroism to educate the troops, in an effort to organically combine the aesthetic, recreational, knowledge-instilling, and educational functions of literature and art and to make them serve the revolutionization, modernization, and regularization of the Army.

Commentary Discusses Li Peng Work Report

OW2503110993 Beijing XINHUA Domestic Service in Chinese 0855 GMT 25 Mar 93

["Commentary" by XINHUA reporters Li Shangzhi (2621 1424 1807) and He Ping (0149 1627): "Advance Under the Banner of the 14th CPC National Congress—Thoughts After Hearing Premier Li Peng's Government Work Report"]

[Text] Beijing, 25 March (XINHUA)—It is still at the same world-acclaimed Great Hall of the People, and in front of the same lectern in the 10,000-seating capacity auditorium.

Following General Secretary Jiang Zemin, who delivered the report to the 14th CPC National Congress in the golden autumn of last year, Premier Li Peng has presented a Government Work Report here, this time to the First Session of the Eighth National People's Congress [NPC].

The two reports dwell on the same theme: grasping the opportunity to quicken the pace of reform and opening up and to ensure economic growth.

This is the great mission that the Chinese Communists of the nineties have undertaken, together with the sacred pledge to restore the glory of a determined age-old nation.

What is different this year is that the drafting of the Government Work Report coincided with an excellent opportunity, that is, the convocation of the 14th CPC National Congress, which provided a clearly-defined guiding ideology and laid a solid theoretical foundation for the drafting of the Government Work Report.

The report's drafting proceeded under the leadership of the party Central Committee and the supervision of Premier Li Peng from beginning to end.

According to a briefing by a responsible person from the report drafting group, the State Council initiated the drafting of the Government Work Report last October, shortly after the conclusion of the 14th CPC National Congress. The preliminary draft, which was completed in early January this year, was submitted to the State Council's executive meeting for discussion on 15 January; to a meeting of the CPC Central Committee Political Bureau Standing Committee on 28 January; and to a State Council plenary meeting on 6 February. After 8 February, it was distributed to all provinces, autonomous regions, and municipalities; all central party, government, and Army departments; the NPC; the National Committee of the Chinese People's Political Consultative Conference; and the democratic parties for their opinions. Meanwhile, Premier Li Peng attended discussions with the democratic parties and people without party affiliation, as well as representatives from the educational and science and technology circles to hear their opinions on how the draft report should be revised. On the basis of extensive solicitation, and after

repeated discussions and consultations, the draft report was revised a total of six times.

A comparison of the 14th CPC National Congress report and the latest Government Work Report shows that both contain a clear keynote, that is, the party's basic line guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. This is the compass for our thinking and action, on the basis of which we summarize the past and plan for the future. If we say the 14th CPC National Congress report laid the party's line, principles, and programs; then the Government Work Report has further translated the party's policy decisions into national aspirations and concrete arrangements for the work of the government, thereby making the policy decisions more easily carried out. In a certain sense, the latest Government Work Report is the continuation of the 14th CPC National Congress report and a concrete manifestation of the government implementing the 14th CPC National Congress guidelines in the work.

As there was a lapse of five years between the 13th and 14th CPC National Congresses, so the current government's tenure will end soon. Therefore, Premier Li Peng's government work report also represents an end-of-term report which should review not only the government's work over the past year, but should also give a summary of the whole five years.

For a nation like ours, with a history of thousands of years, five years is but a twinkling of the eye. However, the challenges we faced were unprecedented.

Over the five years, the Chinese Communists took the drastic changes in the international situation calmly and dealt with them with composure, continuing to firmly lead 1 billion or more people in surmounting all difficulties and obstacles and advancing along the path we choose for ourselves.

Over the five years, we underwent three phases of development: inflation, economic improvement and rectification, and vigorous growth through reform and opening up. In spite of the emergence of difficulties such as price rises, a sluggish market, and economic slumps, we have learned to use reform measures to solve problems arising in the course of reform. "When the mountains and streams come to an end and one would think there is no path," as the verse goes, "the shady willows and bright blossoms bring us to yet another village." The experience is an indication that the Chinese Communists' ability to manage the economy is maturing with each passing day. Over the five years, the CPC Central Committee made a number of major decisions at crucial moments in history: The decision to improve the economic environment, straighten out the economic order, and deepen reform; the decision to develop and open up the Pudong area in Shanghai; the decision to improve large and medium enterprises owned by the whole people; the decision on further strengthening agriculture and the work in rural areas.... All these decisions have

played a vigorous role in guiding reform, opening up, and the modernization drive to advance along a sound path.

Fast rising statistics over the past five years have presented us with a beautiful picture of dynamism and prosperity in all sectors: agriculture—four consecutive years of good harvest and an average annual growth of 4.9 percent in total output value; industry—an average annual growth of 15 percent in total output value; foreign economic relations and trade—the volume of imports and exports doubled while the total amount of foreign capital used was 1.6 times greater than that in the previous nine years.

Under the guidance of the party's basic line, China's economy has got out of the "slump" and slid onto the "expressway" of accelerated development. Just as the 14th CPC National Congress report and the Government Work Report concluded: The five years since the 13th CPC National Congress is five years in which China made continued advances along the path of socialism with Chinese characteristics; it is five years in which we have consolidated and developed the great achievements made in reform, opening up, and the modernization drive since the Third Plenary Session of the 11th CPC Central Committee.

Reviewing the past is to profit by experience.

Speaking of experience from the great practices over the past 14 years, the report to the 14th CPC National Congress points out: "They can be summed up in one sentence: We must firmly adhere to the party's basic line, guided by the theory of building socialism with Chinese characteristics. This is the best way to ensure that we shall stand the test of the dangers we may face on the way to our goal." Likewise, the Government Work Report, in summing up the past five years, also puts forth five experiences that we must firmly bear in mind:

- We must firmly carry out economic construction as the central task;
- We must persistently deepen reforms and open up wider to the outside world;
- We must maintain social and political stability;
- We must uphold the strategic principle of promoting both the material and spiritual civilizations; and
- We must further emancipate our minds and promote a pragmatic work style.

These five "musts" give away the secret why "The landscape here is beyond compare" [quote from a 1934 Mao Zedong poem]. Only by persistently adhering to these five points will there be an even brighter tomorrow.

We can be proud of those five years. However, we must also soberly see the starting point of our development and the path of our competition with others.

Please take a look at several indices related to China which were published recently by the World Bank in its "Report on the Development of the World in 1992."

Level of comprehensive development—ranked 70th in the world;

Per capita GNP—ranked 96th in the world;

Indexes of living quality—ranked 46th in the world.

Faced by such figures, we are like a passenger waiting at the railway station with a heavy heart while watching other people leaving aboard express trains. What of our state of mind?

Many Chinese people are quite familiar with the old parable about the race between the tortoise and the hare. We should know that, in fierce international competition, no one will be so proud as to take a long nap as the hare did. Competition is fierce in the international arena. Once the starting gun goes off, everyone is vying with everyone else in the race toward the end. You will be ruthlessly eliminated if you do not.

Let us say loudly some "frightening words in times of peace and prosperity." History will not give us many opportunities, and we must not lose this good opportunity. All descendants of the Chinese nation must wake up fast!

For this reason, the report of the 14th CPC National Congress clearly pointed out: "We must seize the opportunity time to accelerate the pace of reform, opening up and modernization." It recommended the State Council to "make necessary readjustments to the 'Eighth Five-Year' Plan." Meanwhile, the report forwarded 10 major tasks which need to be accomplished to promote economic development and social progress, all of which involve the overall interest.

The 10 major tasks are the party central committee's grand blueprint for attaining that objective by 2000 by involving everyone in the country.

How shall we turn this blueprint into reality and put those ideas into practice? The Government Work Report has, based on the 10 major tasks forwarded by the 14th CPC National Congress, made further specific arrangements and plans for seizing the current favorable conditions to accelerate the pace of reform, opening up and modernization, and to push the national economy to a new high level in the next five years:

- It has made the necessary readjustments to the main indices for national economic and social development in the "Eighth Five-Year Plan" period, and has raised the national economy's rate of growth from the original average of 6 percent a year to 8-9 percent.
- It has called for the pace of establishing a socialist market economy to be speeded up. Starting this year, we must strive to accelerate the change from the management mechanism of state-owned enterprises,

actively develop various kinds of markets, grasp the reform of commodity prices, further improve the labor and wage systems, vigorously promote reform of social security and housing systems in cities and towns, and achieve a breakthrough in improving and strengthening macrocontrol over the economy.

—Conscientiously carrying out reform of the administrative system and government institutions. It is necessary, while focusing on the central link of changing the functions of the government, to basically accomplish the task of reforming government institutions at all levels within three years.

—It is necessary to bring about all-round social progress on the basis of the central task of economic construction. This includes the following: truly strengthening the building of a socialist spiritual civilization; paying great attention to the development of democracy and the legal system; conscientiously taking a firm grip of family planning and environmental protection; striving to develop health work and physical culture; actively pushing ahead with national defense modernization; and continuously developing the great unity among the people of all nationalities in the country.

The report particularly stresses the following: "Now that the major policy is set, the key lies in implementing it truly and solidly. Under no circumstances should we lose the opportunity for development."

This is a wise and timely choice.

"Time passes quickly as the earth is revolving." We must not lose the opportunity, because time waits for no man. Let us undertake our heavy historical mission together!

Finally, we are riding a "high-speed train," advancing at full speed on the "express route" of modernization. This being the case, what is the motive force that propels this train forward?

The answer is clear. It is the mode of reform that aims at establishing a socialist market economy, raised by the report to the 14th CPC National Congress and the government work report. We have hesitated to move forward toward a "market economy." This is because we entertained some mistaken ideas on the question of "planning" and "market," and also on the question of "fairness [gong ping 0361 1627]" and "efficiency." We neglected a simple principle: When some other people are sharing a big cake, if you only have a piece of steamed cornbread, no matter how evenly you divide it among yourselves, it will not be fair.

Under no circumstances should we sacrifice efficiency as the price for fairness.

Socialist market economy is finally approaching in an open and aboveboard way.

This is a pioneering undertaking.

Although we still have to travel some distance during the change from the old system to the new one, we have already begun to embark on establishing a "market economy."

From the party's 14th national congress to the First Session of the Eighth NPC, and from General Secretary Jiang Zemin's report to Premier Li Peng's report, we can clearly see the historical track through which the cause of building socialism with Chinese characteristics initiated by Comrade Deng Xiaoping is continually advancing, and can also see that the Chinese nation is firmly seizing the historical opportunity which will not easily come by once in a thousand years.

Notes From Congress Deputy on Labor Problem

OW2503123093 Beijing XINHUA in English 1127
GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—(Editor's Note: Some of the deputies to the first session of the Eighth National People's Congress (NPC) and members of the Eighth National Committee of the Chinese People's Political Consultative Conference now in session have written some notes on questions being discussed. With the authors' agreement, we offer some of them.)

The following are notes written by Yang Jike, 71, an NPC deputy and a professor of the Chinese University of Science and Technology.

Some of the deputies have talked about the flow of large numbers of farmers from the central and western parts of the country to east China.

These farmers have contributed to the economic boom in the open coastal cities.

This, however, has some people worried. Worry one: A further widening of the economic gap between east and west; worry two: The threat to the social stability of coastal cities from the flood of rural labor from the west.

People talk about solving the problem by letting the west catch up with the east. Easier said than done.

The State Council has recently adopted a policy aimed at speeding up the development of rural enterprises in the west. This will help solve the problem.

Social stability has to come from people living comfortably and having jobs. In rural areas, there should be jobs for two kinds of people: surplus laborers and cadres.

China's 1,894 counties administer more than 60,000 townships and towns, half of which are located in the central and western parts.

Experts have predicted that there will be some 130 million rural laborers who will leave farming for industries before 2000.

In addition, there will be 70 million children growing up, swelling the number of new laborers to 200 million. Most of them are in the central and western parts of the country.

If they all go to coastal cities, there will be serious consequences.

The only way out is for the surplus labor to go into second and tertiary industries in local townships and towns.

If each township or town can make full use of its labor resources, geological advantages and materials resources, things would be different.

Each locality should at least develop one product of superior quality that sells well. That would help the development of other economic endeavors.

If each of the more than 40,000 townships and towns in central and western parts can recruit some 3,000 people for industries, more than 100 million surplus laborers will find jobs.

Training of cadres is a huge project which needs the combined efforts of all state ministries and commissions.

My conclusion is that development of rural industries in the country's central and western regions can solve the problem of a growing surplus rural labor disrupting social stability.

Lu Ping Sees Need for Hong Kong Group Meetings

HK2603055293 Hong Kong RTHK Radio Four in English 0500 GMT 26 Mar 93

[From the "News at One"]

[Text] The head of the Hong Kong and Macao Affairs Office, Lu Ping, has said that the Sino-British Joint Liaison Group [JLG] will still have to meet because many problems relating to the transition to Chinese rule have to be solved. There has been speculation that China will block any progress of the JLG if the governor presses ahead with his electoral reform proposals.

Speaking after a small group meeting of the National People's Congress, Mr. Lu also said China still wanted the airport to be built by 1997, but under the terms of the airport agreement. He also urged the people of Hong Kong to fight for the stable political and economic transition to Chinese rule in 1997.

Jiang Seeks Solid Work in Economic Development

OW2603153893 Beijing XINHUA in English 1510 GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Solid work is needed in pursuing fast economic growth in China, said

Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC) here today.

"The transition from a planned economy to a socialist market economy is a complicated and arduous process. We should emancipate our minds and promote economic development in a down-to-earth manner," he said.

Jiang made the remarks when he joined deputies from Heilongjiang Province to the Eighth National People's Congress (NPC) in their discussions here this afternoon.

After hearing speeches made by the deputies, Jiang spoke highly of the province's achievements in reform and opening to the outside, and economic progress, especially its contribution to the national economic development in oil industry.

The Daqing oilfield, one of the biggest in China, is located in this northeast China's province.

He said, as an important grain producer in China, the province should never slacken its efforts in developing agriculture and solving problems dampening peasants' enthusiasm and impeding agricultural production. "Agricultural production should also be governed by market demand and law of value", he added.

Jiang urged the province to push state-owned large and medium-sized enterprises to the market as soon as possible in a bid to revitalize the old industrial base.

Speaking of the advantages of the province, Jiang said that in recent years, the province which borders on Russia has made remarkable achievements in boosting border trade.

He expressed the hope that the province will become the country's important window in opening to the Commonwealth of Independent States and take the lead in participating in the international cooperation in northeast Asia.

The general secretary reiterated the importance of maintaining social stability and public order in economic development.

He also urged party and government officials at various levels to keep close ties with the people.

Li Peng Hopes To See Guangxi as Export Outlet

OW2603090193 Beijing XINHUA in English 0845 GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Premier Li Peng today expressed support for Guangxi region developing into "an outlet" for southwest China.

Li Peng, joining a discussion of Guangxi deputies to the National People's Congress, referred to the "very good prospects and favorable conditions" of Guangxi, which has abundant farmland, rich mineral and hydro-power resources, and a seacoast facing southeast Asia.

With a number of ports, including Beihai, Fangcheng and Qinzhou, Guangxi will "surely become an important passage to sea for southwest China," Li said.

The premier showed particular concern over the agriculture of Guangxi, a big grain-producing region with a big rural population.

This year, he said, the central and local governments are all determined to put an end to paying farmers I.O.U. slips.

The premier called for mounting greater efforts to eradicate poverty in the region, which is still fairly extensive, particularly in areas inhabited by ethnic minorities.

The region should strive to cross a new threshold economically in five years, he said.

Constitutional Draft Amendments Mark 'Milestone'

OW2603025793 Beijing XINHUA in English 0243
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—The draft amendments to the Constitution of China submitted for approval to the Eighth National People's Congress [NPC] are "a milestone in Chinese history" as Deng Xiaoping's theory on building socialism with Chinese characteristics, the party's basic line, perseverance of reform and opening up and practising of market economy will be incorporated in the Constitution.

This is a common understanding of deputies to the Eighth NPC and members of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) both now in session.

It is extremely necessary to appropriately amend the Constitution to suit it to the great changes that have taken place in society the Constitution was promulgated in 1982, said Chen Chunlong, a CPPCC member and director of the Institute of Law Science under the Chinese Academy of Social Sciences.

The Constitution is the state fundamental law and to ensure its authoritativeness, it should not be revised at will, Chen said.

Major changes, however, have taken place in society, especially the goal to establish a socialist market economy has been set. A new economic model calls for its place in the Constitution. If undue emphasis is put on the stability of the Constitution, its authoritativeness will be lost, the jurist added.

To enshrine "persevering in reform and opening to the outside world" in the Constitution shows "the country's determination to unswervingly stick to the party's basic line"—taking economic development as the central task and upholding the four cardinal principles of the people's democratic dictatorship, the socialist road, leadership by the Communist Party and Marxism-Leninism

and Mao Zedong Thought while adhering to reform and opening—in the coming 100 years, a view shared by four NPC Deputies Yao Jun, Mu Xiangyou, Zhang Baifeng and Wei Li from Tianjin municipality.

This reminded people of the statement made by Deng Xiaoping during his tour of south China last spring. Deng said the party's basic line should be in force for 100 years.

Wang Yang, an NPC deputy and a lawyer from Jiangsu Province, recalled that the Constitution promulgated in 1982 stipulated, in explicit terms, that the basic task of the nation in the years to come is to concentrate its efforts on socialist modernization. "This has played immense role in guaranteeing and propelling reform, opening up and economic development in the past decade," Wang said.

In return, economic development and deepening of reform made it necessary to amend the Constitution accordingly, which is an inevitable requirement of the development of economic basis, he added.

Wang Taihua, an NPC deputy from Anhui Province, said the draft amendments to the Constitution are a summary in a legal form of the implementation of the party's basic line over the past decade and a legal guarantee for the implementation of the basic line in the future as well as provides legal basis for the practice of the socialist market economy.

Zhang Huanwen, an NPC deputy, called the establishment of the socialist market economy as a breakthrough in reform and opening to the outside world and a product of four decades' exploration and thinking.

Zhang, president of the Liaoning Provincial Higher People's Court, said the change of the wording "the state practises economic planning" into "the state practises a socialist market economy" has put an end to the decade-long controversy over whether market economy is "capitalist" or "socialist" in nature and provided legal basis for vigorously developing the market economy.

Zhang binsheng, an NPC deputy and council member of All-China Lawyers' Association, said market economy in a sense means an economy regulated by law. Foreign businessmen are most concerned about whether there are adequate laws to protect investors' interests. The market is risky and needs a social guarantee system, and legal construction is the most important construction of that guarantee.

He expressed the belief that the amendments to the Constitution, once adopted, will greatly speed up reform and economic development just as the permission of foreign investment in China as stipulated in the Constitution promulgated in 1982 has done so.

NPC Deputy Yang Zhengzhong from Guangxi Zhuang Autonomous Region said the definite stipulation on the "rural household-based contract responsibility system

with remuneration linked to output" in the Constitution will dispel farmers' fear of policy change and set their minds at ease.

China's reform was initiated in rural areas and the farmers consider the household-based responsibility as the biggest reform benefit for them.

The amending of the Constitution, as NPC Deputies Xu Jialu and Chen Xisheng from Jiangsu put it, is not only the business for close to 3,000 NPC deputies, but also the creation of 1.1 billion Chinese people.

Environmental Protection Committee Created

OW2603021993 Beijing XINHUA in English 0202 GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—The Eighth National People's Congress (NPC) will have a new committee—Committee on Environmental Protection.

As its chief functions, the committee will draw up and raise draft laws and other relevant proposals on resources and environment, deliberate relevant motions, and assist the NPC Standing Committee in supervising matters concerning resources and environment.

Nomination of the committee's chairman, vice-chairmen and members, which was passed at the fourth meeting of the Presidium of the First Session of the Eighth NPC, will be submitted to the current NPC session for approval.

Thus far, there are seven NPC special committees in total, namely, the Nationalities Committee, Education, Science, Culture and Public Health Committee, Law Committee, Financial and Economic Committee, Committee for Internal and Judicial Affairs, Overseas Chinese Affairs Committee, and Foreign Affairs Committee.

Jilin Governor on Free Trade Zone Effort

OW2603043693 Beijing XINHUA in English 0416 GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—The U.N. Development Program's effort to establish an international free-trade zone covering border areas of China, Russia and the Democratic People's Republic of Korea (DPRK) will bring a bright future to Jilin Province's development, according to Governor Gao Yan.

At a press conference held here today, Gao Yan, governor of this northeastern province who is a deputy to the ongoing National People's Congress, told Chinese and foreign correspondents that the plan under study calls for each of the three countries contributing 100 square kilometers along the Tumen River for the establishment of the free-trade zone.

Gao said Hunchun city in the province is located in the projected zone and therefore the establishment of such a zone will bring a bright future for economic development in Jilin Province which borders Russia and the DPRK.

Eighth CPPCC National Committee

Religious Circles Enter Market Economy

HK2503153893 Beijing ZHONGGUO XINWEN SHE in Chinese 0646 GMT 23 Mar 93

["Focus on the Two Sessions" by staff reporter Geng Jun (5105 6511)]

[Text] The building of the market economy is currently producing an impact on society greater than any in the past. Under this impact, China's religious circles, which have always been aloof from politics and material pursuits, have opened the "door of the temple" and headed for the vast sea of the market economy.

This reporter paid a visit to the residence of delegates from religious circles to the First Session of the Eighth Chinese People's Political Consultative Conference [CPPCC], and obtained the following facts:

The towering Muslim Building in Beijing's Wangfujing Avenue, where "land is more precious than gold," was jointly built by a number of religious groups.

The well-known Yufo and Longhua Temples in Shanghai have not only opened a vegetarian restaurant, but also built a large-scale three-star hotel to receive pilgrims from other parts of the country and the world. In cooperation with a factory engaged in manufacturing heavy duty construction machinery, the Shanghai Islamic Association has established a trading company named "the Light and Might Power of Islam" [yi guang ju li 0122 0342 1565 0500] to open up international trade opportunities with countries in the Middle East.

In Ningxia, the Nanguan Grand Mosque has set up the Ningxia Muslim Industrial Development Company; while the founder of Hongmen [hong men jiao zhu 3163 7024 2403 0031], which enjoys certain prestige both at home and abroad, has established "Hong Yun [7703 6663] Group Holdings Limited" in partnership with the Ningxia International Trust and Investment Corporation.

The Gang Jian [0474 1017] Company founded by the (Zashilubu) Temple [zha shi lun bu shi 2089 0087 0243 1408] in Xigaze, one of the famous Buddhist temples in Tibet, has not only opened stores in Lhasa but become engaged in border trade as well.

In China, where the economy is undergoing high-speed development, all domestic sectors are badly in need of funds. The state allocates a considerable sum of money to the religious sector every year. However, with tens of millions of followers and numerous religious sites awaiting renovation and maintenance, China's five major religions of Buddhism, Daoism [Taoism], Islam, Catholicism, and Protestantism still feel that "the gruel is meager and the monks are many." It is precisely against the background in which the state suffers from insufficient funds that China's religious circles, which

are not money-minded, are also making efforts to seize favorable opportunities and take part in the building of the market economy with a view to "having temples to raise temples" and to relying on themselves for further development.

The CPPCC members representing China's five major religions indicated: Many problems concerning the renovation and maintenance of temples and churches have been settled with the profits gained from our participation in market economy building. Living Buddha Jamyang Losang Jigme from Gansu said: Through participating in the building of the market economy, we have become better off economically, and can thus carry out more solid work for our believers at the grass-roots level.

In addition, the religious circles have gained greater respect from society during the course of taking part in the building of the market economy. Since the market economy should rely on up-to-date information, the extensive international exchanges by religious circles have been considered "exceptional superiorities" in obtaining market information and in introducing funds and technologies from abroad.

Through their participation in the building of the market economy, religious circles have also learned to use economic means to resolve knotty problems. The Nanhao Catholic Church in Xian City, Shaanxi Province, had long tried in vain to reclaim a plot of land. Seeing that a certain unit was plagued by a lack of land to build living quarters for its staff, the church entered into partnership with this unit by transferring part of the land use right to the unit. With the help of the unit, the church has not only regained most of its real estate, but also built an eight-story building with offices and shops to provide comprehensive commercial services. In this way, the church now enjoys a stable and satisfactory financial income.

Facing the great waves of the market economy, a veteran Buddhist priest sighed: We now lack and need to train qualified persons who understand both religion and economic affairs.

Li Peng, Other Leaders Hear Members' Opinions

OW2603012193 Beijing XINHUA Domestic Service in Chinese 1349 GMT 25 Mar 93

[By reporters Hu Xiaomeng (5170 2556 1125) and Zhu Dongju (2612 0392 5468)]

[Text] Beijing, 25 Mar (XINHUA)—Acting on Premier Li Peng's suggestion, in the last few days, 86 leading comrades of the State Council and responsible comrades of various ministries and commissions have attended the National Committee of the Chinese People's Political Consultative Conference [CPPCC] meetings at the Great Hall of the People as nonvoting attendees, to seek committee members' criticism of and suggestions for the Government Work Report.

After hearing speeches at a meeting of the First Session of the Eighth CPPCC National Committee on 19 March, Premier Li Peng said: CPPCC National Committee members' speeches are very helpful in improving the government's work in the future. Leading comrades of the State Council and responsible comrades of all ministries and commissions should take time out to go to the meetings to hear the opinions.

Leading comrades who have gone to the Great Hall of the People to hear opinions include Zhu Rongji, Li Lanqing, Li Tieying, Zou Jiahua, Chen Xitong, Qian Qichen, Wei Jianxing, and Song Jian, as well as Communications Minister Huang Zhendong; Ai Zhisheng, minister of Radio, Film, and Television; Yang Zhong, director of the General Office of the State Council's Leading Group for the Economic Development of Impoverished Areas; Liu Minxue, director of the State Administration for Industry and Commerce; Zhang Shengzuo, director of the State Bureau of Religious Affairs; Qi Moujia, director of the State Pharmaceutical Administration; and Wang Shuming, Xu Zhijian, and An Chengxin—all deputy secretaries general of the State Council. These leaders placed great importance on the speeches. An Chengxin said: Committee members have offered many good opinions and suggestions. They were forwarded based on in-depth investigation and study, and after serious thinking; they are very helpful to our work. Gao Hongbin, deputy director of the General Office of the State Council Leading Group for the Economic Development of Impoverished Areas, rushed to the meeting immediately after returning home from an official business trip. He was especially concerned about committee members' opinions and suggestions on the development of impoverished areas. Yang Jingyu, director of the State Council Bureau of Legislative Affairs, said: Committee members from all social sectors have brought various opinions and suggestions with them; they are very helpful to our work. If we can make good use of these opinions in legislating some laws in the future, the laws will better reflect the interests of the great majority of the people. Civil Affairs Vice Minister Deje Cering, Public Health Vice Minister Sun Longchun, and other officials said they would use committee members' opinions and suggestions to truly improve their work.

Li Lanqing, Song Jian Observe Session 25 March

OW2603004793 Beijing XINHUA Domestic Service in Chinese 0922 GMT 25 Mar 93

[By reporters Zou Aiguo (6760 1947 0948) and Sun Chengbin (1327 2110 2430)]

[Text] Beijing, 25 March (XINHUA)—The First Session of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] held its fifth plenary meeting at the Great Hall of the People this afternoon to continue to hear members' speeches. Ten members took the floor to air their views on ways to contribute to the establishment of a socialist market

economy, to raise women's status, to vigorously support Beijing's bid to host the 2000 Olympic Games, and to promote the motherland's reunification.

The executive chairmen of the plenary meeting today were Qian Zhengying, Ding Guangxun, Sun Fuling, and Tse-kai Ann. Li Lanqing, member of the Political Bureau of the CPC Central Committee; Song Jian, state councillor; and officials of a number ministries and commissions under the State Council observed the meeting and heard the speeches.

At today's meeting, member Sun Fuling spoke on behalf of the Federation of Industry and Commerce, pledging to contribute to the establishment of a socialist market economy; member Liao Canhui spoke on behalf of the Taiwan Democratic Self-Government League Central Committee and the National Federation of Taiwan Compatriots, expressing the hope that the people on Taiwan will work for the motherland's peaceful reunification; member Guan Tao spoke on behalf of the All-China Women's Federation, calling for greeting the convocation of the Fourth World Women's Congress in Beijing with concrete actions to raise women's status; and member Tian Maijiu spoke on behalf of members of the Physical Culture group, the Communist Youth League group, and the Youth Federation group, urging people all over the country to go all out to support Beijing Municipality's bid to host the 2000 Olympic Games.

Two members from Hong Kong, Xu Simin and Yao Meiliang, also took the floor and received roaring applause from the audience. The title of Xu Simin's speech was "I Love China, I Love Hong Kong"; and of Yao Meiliang's was "Rekindle the Hearts of Overseas Chinese To Rejuvenate the Chinese Nation."

Members Wang Houde, Liu Yonghao, Zhuang Yanlin, and Wang Zhaozhua also spoke respectively, on raising workers' living standards, developing private-run enterprises, bringing into play Overseas Chinese advantages to promote economic construction, and attaching importance to the welfare of the old-aged.

Speeches at the general meetings have thus far been completed. A total of 39 members have spoken at four plenary meetings. It is understood that the First Session of the Eighth CPPCC National Committee received the scripts of a total of 224 speeches, half of which deal with economic construction.

Other executive chairmen attending the plenary meeting today were Ye Xuanping, Wu Xueqian, Yang Rudai, Wang Zhaoquo, Ngapoi Ngawang Jigme, Seypidin Aze, Hong Xuezhi, Deng Zhaoxiang, Zhao Puchu, Qian Weichang, Hu Sheng, Su Buqing, Dong Yinchu, Henry Ying Tung Fok, and Ma Man Kei.

Plenary Meeting Elects Leadership, Members

OW2603102593 Beijing Central Television Program
One Network in Mandarin 0900 GMT 26 Mar 93

[From unscheduled live broadcast]

[Excerpt] Listeners, the First Session of the Eighth Chinese People's Political Consultative Conference [CPPCC] held a plenary meeting at the Great Hall of the People this afternoon. The members elected, by secret ballot, the chairman, vice chairmen, secretary general, and members of the Eighth CPPCC National Committee Standing Committee. Voting has been completed. We will broadcast the results as soon as we get them.

Listeners, here are the results of the election: Li Ruihuan, chairman of the Eighth CPPCC National Committee; Ye Xuanping, Wu Xueqian, Yang Rudai, Wang Zhaoquo, Ngapoi Ngawang Jigme (Tibetan), Seypidin Aze (Uyghur), Hong Xuezhi, Yang Jingren (Hui); Zhou Peiyuan, Deng Zhaoxiang, Zhao Puchu, Ba Jin, Liu Jingji, Qian Xuesen, Qian Weichang, Hu Sheng, Qian Zhengying (female), Su Buqing, Hou Jingru, Ding Guangxun, Dong Yinchu, Sun Fulin, Ann Tse-kai (An Zhijie), Henry Ying-Tung Fok, (Huo Yingdong), and Ma Man Kei (Ma Wanqi), vice chairmen of the Eighth CPPCC National Committee; and Song Demin, secretary general of the Eighth CPPCC National Committee. [Video shows a large picture of Li Ruihuan and each of the vice chairman of the CPPCC national committee as their names are announced. There is no picture shown of the secretary general]

Listeners, perhaps you have just turned on your television sets. This station is now rebroadcasting the above news about the results of the election for chairman, vice chairmen, secretary general, and members of the Eighth CPPCC National Committee Standing Committee. [news report repeated]

[passage on members elected to the Eighth CPPCC National Committee Standing Committee omitted; announcer does not specify the number of Standing Committee members]

Li Ruihuan Elected Chairman

OW2603091793 Beijing XINHUA in English 0908
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Li Ruihuan, a Chinese Communist Party (CPC) top leader, was elected chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), at an election meeting of the committee's first session held here today.

At the meeting, Ye Xuanping, vice-chairman of the Seventh CPPCC National Committee, and other 24 persons were elected vice-chairmen of the Eighth CPPCC National Committee.

Li, 59, is the sixth chairman of the long-established united front organization after Mao Zedong, Zhou Enlai, Deng Xiaoping, Deng Yingchao and Li Xiannian.

Among the vice-chairmen elected today, 15 were vice-chairmen of the previous CPPCC national committee. They are Ye Xuanping, Hong Xuezhi, Yang Jingren, Zhou Peiyuan, Deng Zhaoxiang, Zhao Puchu, Ba Jin, Liu Jingji, Qian Xuesen, Qian Weichang, Hu Sheng, Qian Zhengying, Su Buqing, Hou Jingru and Ding Guangxun.

The ten newly elected vice-chairmen are Wu Xueqian, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigme, Seypidin Aze, Dong Yinchu, Sun Fuling, Ann Tse Kai, Fok Ying Tung and Ma Man-kei.

Among them 12 are communist party members and 14 are members of non-communist parties and people without party affiliation. Three of them are of minority nationalities, and one is woman. The average age of them is 77.2 years.

Song Demin was re-elected today the secretary-general of the CPPCC National Committee.

The meeting also elected a 288-member standing committee of the Eighth CPPCC National Committee. About 60 percent of the members are newly elected. They are representatives from economic, scientific and technical, education, sports, nationalities and religious circles and returned Overseas Chinese, as well as people from Hong Kong and Macao. Elected members of the standing committee are also people representing 16 minority nationalities in the country, each of which has a population of more than one million.

The average age of the standing committee members is 67, 4.6 years younger than that of the Standing Committee of the Seventh CPPCC National Committee.

Secret ballot was adopted for today's election. The number of the candidates is equal to that of the positions. Each of the 34 groups attending the CPPCC session chose one scrutineer. The general scrutineers are Wu Lianyan and Gao Ruzeng.

The members of the Eighth CPPCC National Committee total 2,093. Today, 1,865 of them attended the meeting. They let out a thunderous applause in the Great Hall of the People when the general scrutineers declared that all candidates were elected.

Elected From 'All Walks of Life'

OW2603121493 Beijing XINHUA in English 1133
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—The leaders of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) elected today showed again the patriotic united front organization in China represents all walks of life.

The newly elected CPPCC leaders are representatives from all walks of life including a top leader of the Communist Party of China (CPC) Li Ruihuan, a revolted Kuomintang General Deng Zhaoxiang, former chief representative of Tibet local government Ngapoi Ngawang Jigme, noted writer Ba Jin, christian bishop Ding Guangxun, and Hong Kong tycoon Fok Ying-tung.

The election of Li Ruihuan as CPPCC chairman showed that Li, who was a worker and who has extensive links with people from all walks of life, enjoys popular confidence, according to observers here.

The election of Li, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, as CPPCC chairman, also indicated that the CPC attaches great importance to the CPPCC work, observers said.

Among the 25 CPPCC new vice-chairmen, 15 are re-elected including Ye Xuanping and Hong Xuezhi, and the others are newly elected, including three CPC leaders: Wu Xueqian, a veteran diplomat and vice-premier, Yang Rudai, former member of the Political Bureau of CPC Central Committee and secretary of CPC Sichuan Provincial Committee, and Wang Zhaoguo, head of the United Front Work Department of CPC Central Committee.

Of the leaders of the CPPCC, 14 are from non-communist parties and people without party affiliation. Dong Yinchu, chairman of the Central Committee of the China Zhi Gong Party (Public Interest Party) which is mainly composed of returned Overseas Chinese and relatives of overseas Chinese, and Sun Fuling, executive vice-chairman of the All-China Federation of Industry and Commerce, are newly elected vice-chairmen of the CPPCC National Committee.

Three well-known figures from Hong Kong and Macao are elected vice-chairmen of the CPPCC National Committee for the first time since the first CPPCC plenary meeting was held in Beijing in September 1949.

They are Ann Tse-kai, an advisor to Hong Kong affairs, Fok Ying-tung, chairman of the Chinese General Chamber of Commerce of Hong Kong, and Ma Man-kei, chairman of the Chinese General Chamber of Commerce of Macao.

Observers here deemed that as the term of office of members of the Eighth CPPCC National Committee will extend through 1997 when China resumes its sovereignty over Hong Kong, the election of the three from Hong Kong and Macao as CPPCC vice-chairmen will play an important role in ensuring a smooth transition in Hong Kong and Macao.

Among the 288 members of the Standing Committee of the Eighth CPPCC National Committee, 167 are newly elected, about 60 percent of the total. They include representatives of non-communist parties which have had long-term close cooperation with the CPC, people

without party affiliation, people of minority nationalities and people from the religious circle, as well as experts and scholars. They include Wan Guoquan, vice-chairman of the Central Committee of the China Democratic National Construction Association, Liao Jingwen, widow of well-known Chinese painter Xu Beihong, Batu Bagan, chairman of the Standing Committee of the Inner Mongolia Autonomous Regional People's Congress, Zong Huaide, president of the Catholic Patriotism Association, Wu Cangping, an expert on population, and Israel Epstein, honorary editor-in-chief of "CHINA TODAY".

The average age of the standing committee members of the Eighth CPPCC National Committee is 67, 4.6 years younger than that of the Standing Committee members of the Seventh CPPCC National Committee.

Analysts here said the high cultural standards and younger average age of the new CPPCC Standing Committee members who come from all walks of life are important guarantees to bring into full play the CPPCC's functions of political consultation and democratic supervision.

XINHUA Profiles Chairman Li Ruihuan

OW2603094293 Beijing XINHUA in English 0923
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Li Ruihuan, a top Chinese Communist Party leader, who was a carpenter and has extensive links with intellectuals and people without party affiliation, was elected here today chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

The CPPCC is an important form of organization for multi-party cooperation and political consultation in China.

Li Ruihuan is the sixth chairman of the 40-year-old CPPCC after Mao Zedong, Zhou Enlai, Deng Xiaoping, Deng Yingchao and Li Xiannian.

Li, 59, was born in a peasant family in Baodi county in north China's Tianjin municipality. He worked as a carpenter in a construction company in Beijing in the early 1950s. Inventor of a "simplified calculation method," which updated the traditional "lofting" method of carpentry that had passed down over thousands of years, he was known throughout the country as a young "Lu Ban," a legendary master carpenter in ancient China who invented the saw.

Li has received higher education and has rich experience in grassroots work. From 1951 to 1965, he was a worker in the Beijing No. 3 Construction Company. He studied in the Beijing Spare-Time Civil Engineering Institute from 1958 to 1963.

He joined the Communist Party of China (CPC) in September 1959. After 1965, he served as deputy secretary of the party committee of the Beijing Building Materials Company.

During the "Cultural Revolution," he was persecuted. After 1971, he served as secretary of the party committee of the Beijing Lumber Factory, deputy secretary of the party committee of the Beijing Municipal Bureau of Building Materials Industry, vice-chairman of the Beijing Capital Construction Committee and concurrently director of the Beijing Capital Construction Headquarters, vice-chairman of the Beijing Trade Union Federation, member of the Standing Committee of the Fifth National People's Congress and an executive member of the All-China Federation of Trade Unions.

After 1979, he was a member of the standing committee and secretary of the Tianjin Municipal Party Committee, vice-mayor and acting mayor.

After 1984, he served as deputy secretary of the Tianjin Municipal Party Committee and Mayor of Tianjin.

After August of 1987, while still mayor of Tianjin, he became secretary of the Tianjin Municipal Party Committee. In November of the same year, he became a member of the Political Bureau of the CPC Central Committee.

During his term of office in Tianjin, he drastically reformed governmental work and brought about a marked improvement in urban housing and traffic facilities. He implemented the method of "count-down work schedule" with an iron hand, forcing many long-delayed projects to proceed according to schedule and he became known as an efficient official.

People who have listened to Li Ruihuan comment that, when speaking, Li is clear-cut and straightforward, and has charm and wit, using rich and vivid language. His style bespeaks his worker background.

Li has extensive links with intellectuals. He likes reading. He dabbles in many fields, with a particular liking for Beijing opera and has made friends with many famous actors and actresses. He has also established good relations with many writers.

Li Ruihuan is also a football fan. Every member of the Tianjin football team knew that Li would probably sit at the viewing stand whenever there was an important football match. When three members of the Tianjin football team were injured in a match held in another city, Li immediately sent them a message expressing his concern. At the break of an important match, Mayor Li often made proposals to the coaches. Not surprisingly, he was known as "the part-time head" of the football team.

Open-minded and kind to others, Li Ruihuan has many friends from China's democratic parties and among people without party affiliation. He often meets with noted figures from Taiwan, Hong Kong and Macao as

well as Overseas Chinese and many say that they feel like Li's friends at the first meeting with him.

Li Ruihuan's parents still live in the countryside today. His wife worked in Beijing as an ordinary worker until retirement. During the spring festival of 1986, the couple's son got married. The second day, the old and young couples went to Li's home village to pay the usual Spring Festival call to their fellow-villagers. Li has been an official for many years, but his family members and relatives have never benefited from his official position.

XINHUA Profiles Newly Elected Vice Chairmen

Ann Tse-Kai

OW2603124193 Beijing XINHUA in English 1225
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Ann Tse-Kai, a well-known public figure in Hong Kong, was elected a vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today.

Ann, 81, was a member of the Standing Committees of the Sixth and Seventh CPPCC National Committees. He is well-known both at home and abroad not only as a Hong Kong industrialist and public figure, but also an expert on linguistics.

Ann, a native of Dinghai of Zhejiang Province in east China, has always devoted himself to the stability and prosperity of Hong Kong.

Ann engaged in textile industry in Hong Kong in the 1950s; served in Hong Kong as member of the Legislative Council and Executive Council and as chairman of the Hong Kong Trade Development Council and the Federation of Hong Kong Industries in the 1970s; and in the 1980s, served as member of the Standing Committee of the CPPCC National Committee while serving as vice-chairman of the committee for drafting the basic law of Hong Kong special administrative region and chairman of the consultative committee on Hong Kong basic law.

In the 1970s, Ann made painstaking efforts to promote development of Hong Kong's foreign trade by traveling around the world to promote sales of Hong Kong products.

In the early 1980s when some people in Hong Kong were worried about their future due to lack of knowledge about China's policy when they heard China is going to resume its sovereignty over Hong Kong in 1997, Ann was very confident.

During his 1982 tour to Beijing, Ann expressed his opinions to Chinese leaders on the importance of continuance of Hong Kong economic progress.

He wrote articles on interdependence of economies in Hong Kong and the Mainland, calling for strengthening economic ties.

At the second session of the Sixth CPPCC National Committee held in 1984, Ann put forward 16 suggestions on maintaining Hong Kong's stability and prosperity.

"Hong Kong has entered a final period of transition. I am now devoting my efforts to publicizing the basic law to let more Hong Kong people have a better understanding of the law and facilitate a smooth transition in Hong Kong till 1997," he said.

In Hong Kong, Ann is described by others as a gifted man of great attainments in languages, classic Chinese, modern Chinese and statistics and a man who dabbles in medicine, arts, philosophy, archaeology, economy, literature and music.

Starting from 1979, he spent over four years writing a five-volume book on Chinese characters in English which provides a new and easy way to foreigners learning Chinese.

Ann is also very concerned about economic development on the mainland. In 1991 when east China was hit by a severe flood, Ann donated 200,000 HK [Hong Kong] dollars to the flood-hit areas.

He also set up an international trade research fund to boost the development of China's foreign trade and economic cooperation.

Ba Jin

OW2603101093 Beijing XINHUA in English 0946
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Ba Jin, a noted Chinese writer, was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Ba was a vice-chairman of the previous CPPCC National Committee.

Ba, born in November 1904, is a native of Chengdu, Sichuan Province, and has no party affiliation.

Ba studied in Chengdu Special School of Foreign Languages till 1921; went to study in France, 1927; served as editor-in-chief of Shanghai Culture Life Publishing House and Pingming Publishing House, 1935-49; after 1949, served as vice-chairman and chairman of Chinese Writers' Association, vice-chairman of Chinese Federation of Literary and Art Circles, chairman of Shanghai branch of Chinese Federation of Literary and Art Circles, chairman of Shanghai branch of Chinese Writers' Association, editor-in-chief of LITERARY AND ART MONTHLY, HARVEST and SHANGHAI LITERATURE.

Ba was a vice-chairman of Sixth CPPCC National Committee; deputy to first to Fifth National People's Congresses (NPC) and member of Standing Committee of Fifth NPC.

Deng Zhaoxiang

OW2603130393 Beijing XINHUA in English 1249
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Deng Zhaoxiang was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) today at the committee's first session.

He was a vice-chairman of the previous CPPCC National Committee.

Born April 1903, Deng is a native of Gaoyao of Guangdong Province and a member of the Communist Party of China (CPC). Studied at Whampoa Naval Academy, Wusong Naval School, Yantai Naval School and Nanjing Torpedo and Guns Academy, 1914-23; served as ensign and lieutenant junior in Beiyang Navy, lieutenant junior grade adjutant in Northeast Navy, lieutenant commander adjutant in Kuomintang Navy, 1923-29; studied in Greenwich Navy Academy, Torpedo, Signal and Guns Academy, Britain, 1930-34; after returning to China, 1934, served in Kuomintang Navy, as lieutenant commander in charge of guns on warships, lieutenant commander of torpedo battalion, commander staff of command of No. 2 Fleet, dean of training and education, Tongzi Navy Academy in Guizhou, captain of Changzhi Warship, captain of Chongqing Cruiser.

Deng revolted and crossed over to People's Liberation Army (PLA), 1949; from 1949, served as captain of Chongqing cruiser of PLA, president of Andong Navy School and Speed-Ship School, member of Northeast Administrative Council, vice-president of No. 1 Navy Academy, member of National Defense Council, deputy chief staff, vice commander of command of Qingdao Navy Base of PLA, deputy commander of North China Sea Fleet and deputy commander of PLA Navy.

Served as member of First CPPCC National Committee; vice-chairman of Sixth CPPCC National Committee; deputy to First through Fourth National People's Congresses (NPC); and member of Standing Committee of Fifth NPC.

Ding Guangxun

OW2603134393 Beijing XINHUA in English 1326
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Ding Guangxun was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Ding was born 1915; a native of Shanghai.

Graduated 1937 from Faculty of Literature, St. John's University, and from college of Theology, St. John's University, 1942;

Became secretary of Student Christian Movement, Canada, 1946.

Obtained master's degree from Columbia University and doctorate from New York Union Theology College, USA, 1948.

Served as secretary of World Student Christian Federation, Geneva, 1948-51;

Returned to China, 1951;

Served as secretary of Shanghai Religious Society, president of Nanjing Union Theological Seminary, vice-president of Nanjing University; director of Religion Teaching and Research Office, Nanjing University;

Served as chairman of Three-Self Patriotic Movement Committee of Protestant Churches of China; president of Chinese Christian Association;

Elected vice-chairman of CPPCC 6th Jiangsu Provincial Committee;

Awarded honorary doctorate of theology by six universities and theology colleges in Europe and United States;

Was vice-chairman of CPPCC 7th National Committee; deputy to 6th and 7th National People's Congresses and member of 6th and 7th NPC Standing Committees; member of CPPCC 3rd National Committee and member of Foreign Affairs Committee of 6th and 7th NPC.

Dong Yinchu

OW2603115593 Beijing XINHUA in English 1137
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Dong Yinchu, chairman of the Central Committee of the Chinese Party for Public Interest (CCPI), was elected vice-chairman of the Eighth National Committee of Chinese People's Political Consultative Conference (CPPCC) here today.

CCPI is one of the eight democratic parties in China. Most of its members are representatives of Overseas Chinese, returned Overseas Chinese and relatives and family members of Overseas Chinese.

Dong Yinchu, born in 1915 and a native of Hefei City, Anhui Province, spent his childhood in Suzhou City, Jiangsu Province. He was a classmate of Chiang Weikuo's for three years. After the September 18th accident (the seizure of Shenyang in 1931 by Japanese invaders), Dong and other students took part in anti-Japanese activities.

After his graduation from Jiaotong University in Shanghai in 1938, he went to Hong Kong and worked as editor of a newspaper. He went to stay in Indonesia in

1939 and served as editor of TIAN SHENG daily. The newspapers urged national efforts to fight against Japanese aggression.

After the Pacific war broke out, he was arrested by the Japanese Army and released only after the Japanese surrender in 1945.

He was secretary-general of the Chinese Chamber of Commerce in Indonesia 1945-46 and made every effort to protect the rights and interests of Overseas Chinese.

After returning home in 1947, he became manager of Jianyuan Company and China Ethyl Alcohol Factory in Shanghai.

After the founding of New China in 1949, he became manager of Shanghai Light Industrial Import and Export Corporation, vice-chairman of the Shanghai Council for the Promotion of International Trade and chairman and general manager of the Shanghai Huajian Corporation. He served as a leader of the Shanghai Federation of Returned Overseas [Chinese].

He was elected chairman of the Shanghai Federation of Returned Overseas Chinese in 1979 and joined CCPI in 1980. He was elected vice-chairman and acting chairman of CCPI 8th Central Committee and concurrently chairman of CCPI Shanghai Committee and chairman of CCPI Central Committee in 1989.

He was member of the Standing Committee of the Seventh NPC, and member of the CPPCC 5th, 6th National Committees.

Dong Yinchu has broad links with Overseas Chinese and visited the United States, Canada, the Philippines and Norway since 1981.

He said CCPI will further strengthen its ties with Overseas Chinese and make greater contributions to the prosperity of the motherland.

Fok Ying-tung

OW2603115193 Beijing XINHUA in English 1140
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Fok Ying-tung, a patriotic business tycoon from Hong Kong, was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today.

Fok, one of the most prosperous businessmen in Hong Kong, has poured over two billion Hong Kong dollars into the mainland in forms of donations and investment.

Fok was born into a Hong Kong boat family in 1923. His forefathers could be traced to Panyu county, Guangdong Province.

After the Japanese occupation of Hong Kong in World War II, he became a merchant and amassed a fortune by importing sand to Hong Kong from the mainland. He

then expanded into real estate and established an industrial and commercial conglomerate covering construction, sand-mining, ship-building, shipping, oil, tourism and hotels.

He is president of Chinese General Chamber of Commerce in Hong Kong and chairman of the board of Henry Fok Estates Ltd.

Total wealth under his name is estimated at 1.8 billion U.S. dollars.

In the past decade, he has set up many enterprises on the mainland, in such areas as tourism, construction, communications, island development in the South China Sea, education, culture, public health and sports. He also donated money for flood victims in east China.

"I'm prosperous now," he said. "I should be filial to 'mother'—my country."

Fok was a member of the drafting committee for the Basic Law of the Hong Kong Special Administrative Region.

He was member of the Seventh National People's Congress Standing Committee, and member of the Fifth and Eighth National Committees of CPPCC.

Hong Xuezhì

OW2603101293 Beijing XINHUA in English 0939
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Hong Xuezhì was reelected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today at its first session.

Hong was born February, 1913; a native of Jinzhai, Anhui Province; joined CPC and enlisted in Red Army 1929; a middle school graduate; he is a general.

Served as contingent head of guerrilla forces, Shangqiu County, Henan Province, squad leader and platoon leader of 1st Army, Chinese Workers' and Peasants' Red Army (CWPR), company commander, political instructor, and battalion political commissar, 1929-32;

Director of regiment political department, CWPR 4th Army, director of division political department, CWPR 31st Army and director of political department, CWPR 4th Army, 1932-36;

Entered North Shaanxi Red Army University, later worked as contingent head, deputy detachment head and regiment commander, and deputy head of 5th School, of detachment of Anti-Japanese University, 1936-41;

Commander of Yanfu Military Command, chief of staff of Third Division, New Fourth Army (NFA), and deputy commander of NFA Third Division, 1941-45;

Served as deputy commander of Liaoxi Military Command, commander of Heilongjiang Military Command, column commander and commander of 43rd Army, 4th Field Army, 1945-49;

Between 1949 and 1960, served as first deputy commander, 15th Corps, deputy commander of Guangdong Military Command, deputy commander and concurrently commander of logistics of Chinese People's Volunteers in Korea, deputy director and director of General Logistics Department, Chinese People's Liberation Army (PLA) and member of National Defence Council;

Between 1960 and 1977, served as director of Jilin Provincial Bureau of Farm Machinery, director of Jilin Provincial Bureau of Heavy Industry;

Between 1977 and 1980, served as director of National Defence Industry Office under State Council, member of Central Military Commission, and member of Standing Committee of National People's Congress (NPC);

Between 1980 and 1990, served as director and political commissar of PLA General Logistics Department, deputy secretary-general and member of Central Military Commission, and member of CPC Central Advisory Commission;

From 1990, served as vice-chairman of Seventh National Committee of CPPCC;

Was deputy to First, Fifth and Seventh NPC, member of Standing Committee of Fifth NPC, alternative member of CPC 8th Central Committee and member of CPC 11th and 12th Central Committee.

Hou Jingru

OW2603133793 Beijing XINHUA in English 1320
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Hou Jingru was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Born October 1902, a native of Yongcheng County, Henan Province, member the Revolutionary Committee of Chinese Kuomintang (KMT).

Graduated from Whampoa Military Academy, 1924. Joined northern expedition, served as regiment chief of staff and director of division political department of National Revolutionary Army, 1926. Became commander of training regiment of 20th Corps of National Revolutionary Army and took part in Nanchang uprising, 1927. Was commander of brigade, division, corps, army group of KMT troops and deputy commander of Fuzhou Pacification General Headquarters, 1933-49.

Led an uprising in 1949; served as counsellor to State Council and member of National Defence Committee, 1952-59; vice-chairman of 5th Beijing Municipal Committee, CPPCC, 1977-79; vice-chairman of 7th, 8th

Beijing Municipal People's Congress Standing Committee, 1979-87; chairman of Revolutionary Committee of Chinese KMT (RCCCK) Beijing Committee, 1979; vice-chairman of RCCCK 5th, 6th Central Committee, 1981. Elected vice-chairman of RCCCK 7th Central Committee, 1988; chairman of Whampoa Military Academy Alumni Association, chairman of China Council for the Promotion of Peaceful Reunification.

Member of CPPCC 2nd-4th National Committee; standing committee member of CPPCC 5th National Committee and vice-chairman of CPPCC 7th National Committee.

Hu Sheng

OW2603133193 Beijing XINHUA in English 1314
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Hu Sheng was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session today.

Born 1918; a native of Suzhou, Jiangsu Province; joined Communist Party of China (CPC) January 1935.

Studied 1934-35 in department of philosophy, Beijing University; worked 1935-37 in cultural circles in Shanghai;

Engaged in cultural and united front work 1937-41 in Wuchuan, Xiangfan and Chongqing and served as editor of magazines agitating resistance against Japanese aggression;

In 1941, worked as member of editorial board of POPULAR LIFE magazine in Hong Kong;

From 1942 to 1946, served as member of Cultural Committee and editor of XINHUA DAILY in Chongqing.

From 1946 to 1948, served as alternate member of Shanghai Working Committee and member of cultural committee and editor-in-chief of LIFE magazine in Shanghai and Hong Kong.

During 1949-1955, served as head of textbook compiling group of propaganda department of CPC Central Committee, vice-director of textbook compiling and examination committee of North China People's Government, secretary of party group of Publication Administration of Government Administration Council, secretary-general of General Office, vice-secretary-general and secretary-general of Propaganda Department of CPC Central Committee, director of first department of Party School of CPC Central Committee.

From 1955, served as vice-director of Political Research Office of CPC Central Committee and deputy editor-in-chief of RED FLAG [HONGQI] magazine.

During 1975-1985, worked in political research office of State Council and working group of selected works of

Mao Zedong, vice-director of Office of Compiling Committee of Selected Works of Mao Zedong, vice-director of Party Literature Research Center and director of Party History Research Center of CPC Central Committee.

From 1985, served as president and secretary of Party Group of Chinese Academy of Social Sciences, director of Party History Research Center of CPC Central Committee, vice-chairman of Drafting Committee for Basic Law of Hong Kong Special Administrative Region, vice-chairman of Academic Degrees Committee of State Council and vice-chairman of Drafting Committee for Basic Law of Macao Special Administrative Region.

Was vice chairman of Seventh National Committee of CPPCC, deputy to 1st-5th National People's Congresses (NPC), member of Standing Committee of 4th and 5th NPC; member of 12th CPC Central Committee.

Liu Jingji

OW2603130893 Beijing XINHUA in English 1248
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Liu Jingji was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) today at its first session.

He was vice-chairman of the CPPCC Seventh National Committee.

Liu was born 1902; native of Changzhou, Jiangsu Province; member of China Democratic National Construction Association (CDNCA).

Graduated from Jiangsu Second School of Industry, 1917; was staff member and director of operation office of Sulun and Baocheng Cotton Mills, 1919-30; manager of Dacheng Textile and Dying Plant in Changzhou, 1930; after 1936, served as executive chairman and vice-chairman of Jiangnan Cement Factory in Nanjing, chairman and general manager of Anda Textile Plant.

After 1949, served as general manager of Anda Cotton Mill, chairman of department for monopoly purchasing of cotton of east China region, board chairman of Dalong Machinery Plant in Shanghai, manager of Shanghai Cotton Textile Industrial Corporation.

After 1956, served as chairman of Shanghai Federation of Industry and Commerce, chairman and honorary chairman of Shanghai branch of CDNCA, board chairman of Shanghai Trust and Investment Corporation, board chairman and general manager of Shanghai Patriotic Construction Company, board chairman of Shanghai Patriotic Construction Financial Company; elected vice-chairman of Standing Committee of Shanghai Municipal Committee of CPPCC, vice-chairman of Standing Committee of Shanghai Municipal People's Congress; vice-chairman and honorary chairman of All-China Federation of Industry and Commerce, advisor of CDNCA Central Committee.

Was member of First to Fourth National Committees of CPPCC, member of Standing Committee of Fifth CPPCC National Committee, vice-chairman of Sixth and Seventh CPPCC National Committees; member of Standing Committee of Fifth and Sixth National People's Congresses (NPC).

Ma Man-kei

OW2603115693 Beijing XINHUA in English 1142
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Ma Man-kei, a famous patriotic industrialist in Macao, was elected here today vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Ma is board chairman of China Products Co., Ltd., which has more than 20 subsidiaries.

He was member of the Fifth CPPCC National Committee, member of the Sixth CPPCC National Committee Standing Committee, and member of the Seventh National People's Congress (NPC) Standing Committee.

He said, "I feel honored to have the trust of the party and government. I will make more contributions to the country."

Born in a businessman's family in 1919 in Nanhai county, Guangdong Province, Ma Man-kei devoted himself to anti-Japanese activities during the war of resistance against Japan when he was a high school student.

After 1941 businessman Ma got to know Pan Hannian, Xia Yan, Yang Hansheng and Mao Dun, who were then engaged in anti-Japanese activities in the cultural field in Hong Kong and Macao.

From them, Ma Man-kei got to know the communist party's ideas about the anti-Japanese National United Front and devoted himself to uniting patriotic personages from industrial and commercial circles in Hong Kong and Macao.

When Japanese invaders enforced an economic blockade in their occupied areas, Ma Man-kei smuggled steel, munitions and medicine for anti-Japanese guerrilla forces in south China, at great personal risk.

In May, 1950, when he led a group of industrialists and patriotic personages on a sightseeing tour on the mainland, he met with Premier Zhou Enlai and He Xiangning.

Ma said his success in business is closely bound up with the prosperity of the mainland. In recent years, he has expanded his business operation on the mainland and contributed to closer economic and trade cooperation between Macao and the mainland.

Up to now, Ma has established a number of enterprises in Guangdong, Sichuan and Inner Mongolia.

He has also donated money for social undertakings on the mainland.

Ma took part in the drafting of the Basic Law for the Macao Special Administrative Region.

He said that formulation of the Basic Law is "a big event in the history of China" and that it will play an active role in the smooth transition of power and future prosperity of Macao.

Ma published a selection of his poems in 1988, with the book's title handwritten by Deng Xiaoping.

He has seven sons and two daughters.

Ngapoi Ngawang Jigme

*OW2603095193 Beijing XINHUA in English 0934
GMT 26 Mar 93*

[Text] Beijing, March 26 (XINHUA)—Ngapoi Ngawang Jigme, who was head of a delegation of the Tibetan local government which held talks with the central government in Beijing 42 years ago, was elected today vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session.

Ngapoi was born 1910 in Lhasa, Tibet; of Tibetan nationality. He studied poetry and grammar under Xerab Gyaco, a master of Tibetan literature.

He is warm, sincere and straightforward, and is regarded as an enlightened nobleman.

After 1936, he served as grain official of Chiamdo Prefecture and civil magistrate and auditor of "Kasha" Tibet local government.

In 1950, the central government notified Tibet local government to send representatives to Beijing for peace talks. At the time, many upper-stratum people in Tibet had doubts about going. Ngapoi favored sending a delegation for talks on the peaceful liberation of Tibet.

Shortly afterwards, he was promoted to the post of "kaloon," one of the highest-ranking officials assisting the Dalai Lama in Tibet's administrative affairs.

In 1951, on behalf of the Tibet local government, he went to Beijing, where he signed an agreement with the central government on the peaceful liberation of Tibet.

After the peace talks, he summoned his children studying abroad back to China, and had them study in the Central Institute for Nationalities in Beijing, showing his trust in the central government.

After the peaceful liberation of Tibet, he served as deputy commander of Tibet Military Area Command, member of National Defense Council of the People's Republic of China; secretary-general and vice chairman of the preparatory committee for the Tibet Autonomous Region; given rank of lieutenant general, 1955.

Ngapoi supported democratic reforms in Tibet. As a nobleman, he believed that democratic reforms were a correct road for Tibet to achieve prosperity and progress and contributed to the successful execution of democratic reforms in the region.

Ngapoi enjoys a high prestige among the Tibetan people. People say of him: Ngapoi will do nothing against the wishes of the Tibetan people.

He served as chairman of the people's committee for the Tibet Autonomous Region after 1965; chairman of Tibet Regional People's Congress Standing Committee and chairman of Tibet regional government after 1979.

He was a deputy to the First and Second National People's Congresses (NPC), vice-chairman of Third to Seventh NPC Standing Committees, and vice-chairman of CPPCC Third National Committee.

Ngapoi cares about Tibetans living abroad and often expresses the wish that they would return to their homeland.

In the mid 1930s, he married Cedain Zhoigar, daughter of a Tibetan noble family. His wife is now vice-president of All-China Women's Federation.

Ngapoi has 12 children.

Qian Weichang

*OW2603121993 Beijing XINHUA in English 1158
GMT 26 Mar 93*

[Text] Beijing, March 26 (XINHUA)—Qian Weichang was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Qian Weichang, born in October 1912, a native of Wuxi, Jiangsu Province, member of China Democratic League. Graduated from Department of Physics, Qinghua University, 1942; received doctorate of applied mathematics in Toronto University in Canada, 1942; served as engineer in Jet Propulsion Institute of California Institute of Technology, 1942-46; professor of Qinghua University and concurrently professor of Beijing and Yenching Universities, 1946-48.

After 1949, served as professor, dean of studies and vice president of Qinghua University; member and deputy director of Institute of Mechanics under Chinese Academy of Sciences; head of the Preparatory Department of Institute of Automation of Chinese Academy of Sciences, secretary of Academic Council of the Academy, deputy secretary-general of All-China Youth Federation, member of Standing Committee of Central Committee of China Democratic League, academician of the Polish Academy of Sciences, vice-president of Council of China Society of Mechanics, president of Shanghai Polytechnical University, director of Shanghai Institute of Applied Mathematics and Mechanics, vice-chairman of Central Committee of China Democratic

League, member of committee for drafting basic law for Hong Kong special administrative region of People's Republic of China (PRC), vice-chairman of committee for drafting basic law for Macao special administrative region of PRC, chairman of China Council for the Promotion of Peaceful Reunification, chairman of China Association of Overseas Exchanges.

Elected member of Fourth CPPCC National Committee, member of Standing Committee of Fifth CPPCC National Committee, vice-chairman of Sixth and Seventh CPPCC National Committee; deputy to First and Fourth National People's Congress (NPC).

Qian Xuesen

OW2603134293 Beijing XINHUA in English 1325
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Qian Xuesen was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at the committee's first session here today.

Qian, born December 1911, a native of Hangzhou, Zhejiang Province; joined Communist Party of China (CPC), 1959.

Studied at department of mechanical engineering, Jiaotong University, 1929-1934; studied in Massachusetts Institute of Technology, the United States, and obtained master's degree in aeronautical engineering 1935-36; studied at aeronautical department, California Institute of Tech, and obtained doctor's degree in aviation and mathematics, 1936-39; served as research fellow, 1939-43, and lecturer, 1943-45, and associate professor, 1945-46, of aeronautical department, California Institute of Technology; associate professor of aeronautical department and professor of aeromechanics of Massachusetts Institute of Technology, 1946-49; director and professor of center of jet propelling of Massachusetts Institute of Technology, 1949-55.

Returned to China from U.S., 1955; served as director and research fellow of Institute of Mechanics under Chinese Academy of Sciences, and director and deputy director of No. 5 Research Institute of Ministry of National Defense, 1955-64; vice-minister of Seventh Ministry of Machine-Building, 1965-70; vice minister of Commission of Science and Technology for National Defense, and vice-president of China Association for Science and Technology, 1970-82; deputy director of Science and Technology Committee under the Commission of Science, Technology and Industry for National Defense, and president of China Association for Science and Technology, 1982-87; after 1988, served as member of party group of CPPCC National Committee; president and honorary president of China Association for Science and Technology.

Served as vice-chairman of Sixth and Seventh CPPCC National Committees; deputy to Fourth and Fifth

National People's Congresses (NPC); alternative member of Ninth through 12th CPC Central Committees.

Qian Zhengying

OW2603124393 Beijing XINHUA in English 1227
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Qian Zhengying was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Born in July 1923; a native of Jiaying, Zhejiang Province; and joined the Communist Party of China (CPC) in September 1941.

1939-1942, studied at department of civil engineering, Datong University, served as a leader of the students' organization of the university and secretary of the CPC branch committee of the university's engineering college; 1942-1945, was culture teacher of the department of the Huaibei Regional Committee of CPC and section head of water conservancy of Huaibei Prefecture Administrative Office; 1945-1948, section chief of Bureau of Water Conservancy under Jiangsu-Anhui Border Regional Government and director of front engineering division of department of Army Service Stations, East China Military Area Command; 1948-1952, party secretary and deputy director of bureau of Shandong Yellow River Management, served as deputy head of department of water conservancy under East China Military Administrative Committee and concurrently deputy head of engineering department under Committee for Harnessing Huaihe River; 1952-1988, served as vice-minister, minister and secretary of CPC Committee of the Ministry of Water Conservancy and Power; 1988, advisor to Central Flood Control Headquarters.

Vice-chairman of the Seventh CPPCC National Committee and member of the 10th to 14th CPC Central Committee.

Seypidin Aze

OW2603100693 Beijing XINHUA in English 0942
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Seypidin Aze, who is of Uygur nationality, was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Born in March 1915 and a native of Artux county, Xinjiang, Seypidin Aze read Koran in a religious school in his hometown during childhood. In 1932, he joined in an armed uprising in southern Xinjiang. He went to study in the Soviet Union in 1935 and returned three years later. He took part in Ili-Tacheng-Altay Revolution of all nationalities against Kuomintang rule in 1944.

In October 1949, at the invitation of Mao Zedong, he led a Xinjiang delegation to attend the first CPPCC plenary meeting and was elected member of the CPPCC First National Committee, member of the Central People's Government, member of the National Defense Council and vice-minister of the Nationalities Affairs Commission. Soon after the first CPPCC Plenary meeting concluded, Seypidin Aze joined the Communist Party of China (CPC).

In December 1949 he was appointed vice-chairman of the People's Government of Xinjiang Province and vice commander of Xinjiang Military Area Command and in October 1955 he was appointed secretary of the Xinjiang Uygur Autonomous Regional Committee of the CPC and chairman of the regional people's committee, and conferred lieutenant general.

Mao Zedong paid close attention to development of Xinjiang and set store by the leading capacity of Seypidin Aze. Mao visited the Soviet Union twice and both delegations included Seypidin Aze. At the beginning of "Cultural Revolution," he was criticized by "leftists" in Xinjiang. It was Mao Zedong who called back and protected him in Beijing.

In recent years, Seypidin Aze, vice-chairman of the Standing Committee of the National People's Congress, always followed with interest development in Xinjiang. He visited Changji, Kashi, Karamay, Hotan and Altay prefectures and cities. During the visits, he repeatedly stressed unity among all nationalities and leadership of the communist party.

Seypidin Aze has loved literature and arts since his childhood. He worked as actor and director for a short period and editor-in-chief of TACHENG NEWS in 1943. He is also an outstanding poet and writer. He was vice-chairman of the China Federation of Literature and Art Circles from 1960 to 1979. In recent years, he wrote many poems, essays, novels and plays in Uygur. His historical novel Sutugebo Gelahan won the first class prize at a national ethnic minority writers' works appraisal. The eight-part TV play Amannishahan which mirrors life of ancient Uygur artist named Amannishahan, will be completed and on show this year.

In spare time, Seypidin likes to play billiards. His wife Ayim is also Uygur.

Su Buqing

OW2603124693 Beijing XINHUA in English 1238
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Su Buqing was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Born in September 1902, a native of Pingyang County, Zhejiang Province, a member of China Democratic League and the Communist Party of China (CPC).

Awarded doctorate of science from the Japanese Northeast Imperial University in 1931. Served as associate professor, professor and dean of mathematics faculty and dean of studies of Zhejiang University from 1931.

From 1941, served as research fellow, academician and member of the standing academic council of the Central Researching Institute, editor-in-chief of "Journal of Chinese Society of Mathematics".

From 1949, served as professor and dean of the mathematics faculty of Zhejiang University and professor and dean of the mathematics faculty of Fudan University.

After 1955, served as member of academic council of the Chinese Academy of Sciences, vice-president, president, honorary president and professor of Fudan University, director of Mathematics Institute, member of the State Council Academic Degrees Committee.

Served as vice-chairman of the standing committee of Shanghai Municipal People's Congress and vice-chairman of China Democratic League Central Committee.

Member of Second National Committee of CPPCC and elected vice-chairman of the Seventh National Committee of CPPCC, deputy to Second, Third, Fifth and Sixth National People's Congress (NPC), member of the Standing Committee of Fifth and Sixth NPC, and vice-chairman of Education, Science, Culture and Public Health Committee of Sixth NPC.

Sun Fuling

OW2603130993 Beijing XINHUA in English 1258
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Sun Fuling was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Born in September 1921; a native of Shaoxing, Zhejiang Province; and a member of China Democratic National Construction Association.

Studied in physics department of Yenching University of Peking and mathematics in Southwest Associated University, 1938-1940; worked in Kunming West Station of Yunnan-Burma Highway Administration Bureau, 1940-1941; studied in department of political economics, Guanghua University and department of economics of West China University in Chengdu, 1941-1945; after 1945 served as a clerk of transport section of Tianfu Coal Mine in Chongqing, clerk and commissioner of Hebei-Rehe-Peking-Tianjin branch of post-war relief administrative office of Executive Yuan.

After 1948, served as a clerk of Xiaguan Coal Factory, Kuanglu Company of Huainan Coal Mining Administration, and manager and director of Beijing Fuxing Flour Factory; after 1958, served as director of Beijing Administration of Service Industry, deputy director of

Beijing Foreign Trade Bureau, chairman of Beijing Federation of Industry and Commerce, vice-chairman of Beijing Municipal Committee of China Democratic National Construction Association, vice-chairman of CPPCC Beijing Municipal Committee, vice-mayor of Beijing, and vice-chairman of All-China Federation of Industry and Commerce.

Member of CPPCC 2nd through 5th National Committee, and Standing Committee member of CPPCC 6th and 7th National Committee.

Wang Zhaoguo

OW2603095693 Beijing XINHUA in English 0929
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Wang Zhaoguo, head of the United Front Work Department of the Communist Party of China (CPC) Central Committee, was elected today vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference.

Wang, born 1941, a native of Fengrun county, Hebei Province.

Joined CPC at age of 24. Graduated from Harbin Polytechnical University, 1968.

Served as technician, secretary of Communist Youth League, vice-director and CPC part secretary of No. 2 Auto Plant, 1968-82.

Elected member of CPC 12th Central Committee 1982.

From 1982, served as first secretary, secretariat of Central Committee of Communist Youth League of China (CYLC); director of General Office of CPC Central Committee; member of secretariat of CPC Central Committee.

Became governor of Fujian Province in 1988.

Made director of Taiwan Affairs Office of State Council, November, 1990.

Appointed not long ago head of United Front Work Department of CPC Central Committee.

Wu Xueqian

OW2603094593 Beijing XINHUA in English 0926
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Veteran diplomat Wu Xueqian was elected vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today.

Wu, 72, had a diplomatic career of more than 30 years. He became minister of foreign affairs in 1982 and vice-premier of the State Council in 1988.

Wu, a native of Shanghai, took an active part in Shanghai students' movement of anti-Japanese invasion and national salvation when he was young.

In 1939, 18-year-old Wu joined the Communist Party of China (CPC). After 1944, he became a student of Hujiang University and one of the student leaders in Shanghai.

Wu, who also studied in Jinan University as a foreign language major, worked for some time as a high-level official of the Communist Youth League of China (CYLC) before his transfer to the liaison department of the CPC Central Committee.

In 1982 he was transferred from the post of vice-minister of the department to the post of vice foreign minister and then foreign minister.

Wu was elected member of CPC 12th and 13th central committees and in 1985 a member of the Political Bureau of the CPC Central Committee.

During his term of office as foreign minister, Wu took part in negotiations on the return of Hong Kong and Macao to China. He travelled to more than 70 countries on diplomatic missions.

He attended the fifth General Assembly of the United Nations and met leaders of many countries.

Wu has a down-to-earth work style. It is believed that his experience would help him play an active role in promoting united front work in China.

Wu is a kind person. He and his wife Bi Ling are fond of arts. He jogs every day.

Yang Jingren

OW2603100893 Beijing XINHUA in English 0940
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Yang Jingren was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today at its first session.

Yang was born 1918, a native of Lanzhou, Gansu Province, of Hui nationality; joined CPC, 1937.

From 1937 to 41, participated in anti-Japanese National Salvation Movement in Lanzhou; served as member and secretary of Special Branch Committee of Hui People, CPC Gansu Provincial Committee; standing committee member of Gansu Provincial Association for Promotion of Hui People's Education; executive council member of Gansu Provincial Islamic Society.

From 1941 to 1947, attended and served as secretary of CPC branch committee of northern Shaanxi College, and acted as political commissar of Hui Cavalry Regiment of Shaanxi-Gansu-Ningxia border region.

From 1947 to 1949, served as chief of Nationalities Section, United Front Work Department of Northwest China Bureau, CPC Central Committee; leader of guerrilla forces, and member of Nationalities Committee, Shaanxi-Gansu-Ningxia border regional government.

From 1949 to 1960, served as member of preparatory committee for Chinese People's Political Consultative Conference (CPPCC); member of First National Committee of CPPCC; division chief of United Front Work Department, CPC Central Committee; member and vice-minister of State Nationalities Affairs Commission.

From 1960 to 1977, served as first secretary of CPC Ningxia Hui Autonomous Regional (NHAR) Committee, chairman of NHAR People's Council, political commissar of NHAR Military Command, and member of Secretariat, Northwest China Bureau of CPC Central Committee.

From 1977, became secretary of CPC NHAR Committee, chairman of CPPCC NHAR Committee, minister of State Nationalities Affairs Commission, head of United Front Work Department, CPC Central Committee, vice-premier, and vice-chairman of CPPCC National Committee.

Was member of First, Sixth National Committees, CPPCC; vice-chairman of Fifth, Sixth and Seventh National Committees, CPPCC; deputy to First, Second, Third, Fifth, and Sixth NPC, and member of CPC 11th, 12th and 13th Central Committees.

Yang Rudai

OW2603095393 Beijing XINHUA in English 0927
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Yang Rudai, secretary of the Sichuan Provincial Committee of the Communist Party of China (CPC), was elected vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Yang, 67, a native of Renshou county, Sichuan Province, took part in revolutionary work in his hometown in 1950 and joined the CPC in 1952.

He became party chief of Renshou county in 1964, party chief of Leshan Prefecture in 1977, one of Sichuan Provincial party secretaries in 1980, and party chief of Sichuan in 1983.

In 1987, he was elected a member of the CPC 13th Central Committee and a member of its politburo.

While in Sichuan, Yang travelled to all the province's 215 counties to do investigations, a record among Sichuan officials in the history of the province.

Yang, also an expert of agriculture, lives a plain life. His wife Wen Yuhua, who retired in 1988, used to be a factory worker. The Yangs have a son and two daughters.

Ye Xuanping

OW2603094093 Beijing XINHUA in English 0924
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Ye Xuanping was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) at its first session here today.

Ye was a vice-chairman of the previous CPPCC National Committee.

Ye, born in 1924, is a native of Meixian County, Guangdong Province. Studied at Yan'an Natural Science College, Harbin Engineering Institute and Qinghua University. Received training in machine-building 1952 in Soviet Union. Served as deputy chief engineer of Shenyang Municipal Machine-Building Bureau, 1960-62; deputy director and chief engineer of Beijing No. 1 Machine Tool Plant, 1962; bureau director of State Science and Technology Commission 1978-80; vice-governor of Guangdong, 1980, mayor of Guangzhou and deputy secretary of CPC Guangzhou City Committee, 1983; governor of Guangdong Province 1985.

Ye is upright, sincere, and has a strong commitment to reform and opening to the outside world. Before his election as vice-chairman of the CPPCC Seventh National Committee, he had served as governor of Guangdong for six years.

He is a son of Marshal Ye Jianying. People say he is pragmatic, strict with himself and diligent.

Soon after he became governor of Guangdong, Ye started a pricing reform to enable enterprises to compete on a fair basis. It was a pioneering measure at the time. During his term of office in Guangdong, the local economy developed rapidly and his achievements were widely recognized.

He has a good command of Russian and English and reads books of foreign languages frequently. And he loves sports, especially volleyball.

His wife Wu Xiaolan, granddaughter of Wu Yuzhang—a pioneer of China's democratic revolution, was a classmate of Ye's and is also a machine-building expert. Their two children are both married and each has a son.

On his re-election, Ye said, "The work of CPPCC is related with the construction and development of the country, and reunification of the motherland is China's major task in the 20th century. I feel I'm shouldering a heavier burden."

Ye Xuanping is a member of the 14th Central Committee of the CPC. He was a deputy to the Fifth and Sixth National People's Congresses, a member of the CPC's 12th Central Committee and a member of its 13th Central Committee.

Zhao Puchu

OW2603125193 Beijing XINHUA in English 1239
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Zhao Puchu was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) today at its first session.

He was vice-chairman of the CPPCC Seventh National Committee.

Zhao was born 1907; native of Taihu, Anhui Province; member of China Association for Promoting Democracy (CAPD).

Engaged in Buddhist and charity activities in early years;

After 1936, took part in resistant activities against Japanese aggression: Was in charge of refugee reception in Shanghai war zone, and mobilized and organized youths to join new Fourth Army;

In 1945, participated in organizing CAPD;

After 1949, served as deputy head of Civil Affairs Department and concurrently vice-chairman of Committee for Production Relief of East China Military and Administrative Commission, secretary of Chinese Writers Association, vice-chairman of Chinese Calligraphers Association, vice-chairman of Sino-Japanese Friendship Association, vice-president and president of China Buddhist Association, honorary president of Red Cross Society of China, vice-chairman of Chinese Society for Peace and Disarmament, Executive Council member, member, vice-chairman and honorary chairman of Standing Committee of CAPD, chairman of Central Advisory Committee of CAPD.

Was member of first to third National Committees of CPPCC, member of Standing Committee of Fourth and Fifth National Committees, CPPCC; vice-chairman of Sixth and Seventh CPPCC National Committees; deputy to First to Fifth National People's Congresses (NPC).

Zhou Peiyuan

OW2603095493 Beijing XINHUA in English 0943
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—Zhou Peiyuan was elected vice-chairman of the Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC) here today at its first session.

Zhou was born 1902, a native of Yixing, Jiangsu Province, member of Jiu San (September 3) Society, a member of Chinese Communist Party.

Studied from 1919 to 1924 at Qinghua School; from 1924 to 1928, did postgraduate studies at Chicago University and California Institute of Technology of USA, received doctorate.

From 1928 to 1929, did research in Leipzig University of Germany and Zurich National Industrial University of Switzerland.

Became professor of physics in Qinghua University after 1929; professor of Changsha Provisional University and Southwest Associated University, 1937.

Did research in California Institute of Technology, USA, after 1943.

Became professor, dean of studies and vice-chairman of administrative committee, Qinghua University, after 1947.

From 1952, served as professor, dean of studies, vice-president and president of Beijing University, and deputy secretary of CPC Committee, Beijing University.

Acted as vice-chairman of Chinese Academy of Sciences; vice-chairman, and chairman of China Science and Technology Association; vice-chairman of Chinese People's Institute of Foreign Affairs; and served as vice-chairman and chairman of Central Committee, Jiu San (September 3) Society.

From 1983, served as chairman and honorary chairman of China Science and Technology Association; chairman of Chinese People's Association for Peace and Disarmament; chairman and honorary chairman of Central Committee, Jiu San (September 3) Society.

Was member of Standing Committee, CPPCC Third and Fourth National Committees; vice-chairman of Fifth, Sixth and Seventh National Committees, CPPCC; deputy to First, Second, Third and Fourth NPC, and member of Standing Committee, Fifth NPC.

Futures Markets To Invite Foreign Experts

OW2603083393 Beijing XINHUA in English 0801
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—The Chinese Government will send administrators abroad to receive professional training on the futures market and invite foreign experts in the field to help with personnel training, according to a high-ranking official.

This was revealed by Gao Shangquan, vice-minister of the State Commission for Economic Restructuring.

Gao, a member of the Eighth National Committee of the Chinese People's Political Consultative Conference, is attending the committee's first session here.

Gao said developing futures markets is necessary for the establishment of a socialist market economy in China.

In recent years, Gao said, a number of futures-oriented markets have come into being in the country.

They include: The Zhengzhou Central Grain Wholesale Market, the Shenzhen Non-Ferrous Metals Exchange; the Shanghai Metals Exchange, and the Suzhou Commodities Exchange.

A Shanghai Food and Edible Oil Exchange is under preparation. A number of futures brokerage companies have been established.

Futures trading has also started for coal, chemicals, petroleum and steel.

Gao talked about problems, which include:

- Enthusiastic officials lack a good understanding of the role and function of the futures market, mistaking some sales contracts on commodities and even spot transactions for futures;
- The futures market is being fettered by an imperfect pricing system, and departmental and regional barriers, among others.
- Lack of a national watchdog organization and uniform regulations.
- Some foreign and overseas underground brokerage companies cheat customers under the guise of joint venture futures brokerage companies; and
- A lack of qualified managers, brokers and researchers.

The economist-official called for establishing a national supervisory organization as soon as possible and speeding up legislation in the field.

Buddhist Leader Comments on Freedom of Religion

OW2503193993 Beijing XINHUA in English 1500
GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—Chinese citizens have been ensured the freedom of religious belief, Zhao Puchu, chairman of the Buddhist Association of China, said here today.

Zhao, also a member of the national committee of the Chinese People's Political Consultative Conference, said freedom of religious belief was prescribed quite early in China, in the "common program" of 1949, which served as the provisional constitution of New China.

In 1982, the Central Committee of the Communist Party of China (CPC) promulgated a document on religious policy, reiterating "protection of all normal religious activities."

Jiang Zemin, general secretary of the CPC Central Committee, has invited representatives of religious circles to the CPC headquarters and held discussions with them on questions ranging from the protection of properties of religious circles to the implementation of the party's policy on religion.

The government has supported publication of religious scriptures and other books, the conducting of international exchanges and academic activities in the field of religion, and the training of monks, imams, bishops and other religious persons, he said.

Though followers of religions account for a small proportion of the 1.2 billion Chinese people, the absolute figure is considerable, Zhao said.

In addition to Buddhist believers among the Han people, almost all Tibetan, Mongolian, Tu Yugur, Miao, Zhuang, Va and Jingpo people believe in Buddhism. Hui, Uyghur and eight other ethnic minorities are generally Moslems. In addition, Taoism, Catholicism and Protestantism have many disciples.

He said the overwhelming majority of religious believers are patriotic. They have made contributions to social stability, unity among nationalities, economic development, international exchanges and promotion of the country's reunification.

Chinese religious circles, he said, have paid visits to their foreign counterparts in many countries in recent years and received as many visits from them.

Zhao said problems exist. In some localities, he said, citizens' right of religious belief was encroached upon, which has caught the attention of the government.

At the CPPCC National Committee session now in progress, he said, quite a number of religious personages have called for the immediate enactment of a religion law, he said.

Political & Social

'Reform Theorist' Li Honglin's Probation Ends

HK2503132793 Hong Kong MING PAO in Chinese 25
Mar 93 p 11

[By staff reporter Lin Tsui-fen (2651 5050 5358): "Li Honglin, Who Was detained for Nearly a Year After the 4 June Incident, Has Been Allowed To Apply for Permission To Go to the United States"]

[Text] Li Honglin, a noted reform theorist who was imprisoned in the wake of the 4 June incident, has been busy going around for over a year applying for permission to go to the United States to visit relatives and give lectures. Yesterday he finally received from his former unit, the Fujian Academy of Social Sciences, a letter of recommendation which would enable him to go through the procedure of applying for permission to go abroad.

Li Shaomin, Li Honglin's son, currently living and teaching in Hong Kong, told this reporter last night that after being released in May 1990, his father was subjected to disciplinary action within the party and placed on probation within the party for a year, but his father

consistently refused to sign the penalty document. The "one year" period passed long ago.

Recently, the Fujian Academy of Social Sciences submitted a report to the Fujian provincial authorities to terminate disciplinary action against him and restore his rights as a party member. It also issued him a letter of recommendation yesterday to enable him to apply for permission to go abroad.

Prior to this, the academy had always refused to write a letter of recommendation for him. With the arrival of new academy President Qi Mingtian, Li Honglin's case was resolved quickly.

Earlier, Li Honglin returned to Fuzhou from Beijing for the special purpose of obtaining a letter of recommendation. He was very pleased when he finally received it yesterday. He will return to Beijing tomorrow (Friday) to submit an application to the public security bureau for permission to go to the United States to visit relatives. His wife went to the United States early last year to visit her son and grandchildren.

Li, 68, is a former president of the Fujian Academy of Social Sciences. He was so affected by the antiliberalization movement in 1987 that he had to resign from his post. He is now retired. During the democracy movement in 1989, he signed his name along with other Beijing intellectuals and went to Tiananmen Square to urge the students to end their hunger strike and withdraw from the square. After the 4 June incident he was detained for investigation for nearly a year. He was released in May 1990. In January last year he began applying to the Fujian Academy of Social Sciences for permission to go to the United States to visit relatives and give lectures.

A noted academic at home and abroad, Li has written articles since the late 1970's calling for ideological emancipation and promotion of reform.

Deng Xiaoping's Remarks on Succession Cited

HK2603111293 Hong Kong HSIN PAO in Chinese 26 Mar 93 p 27

["Beijing Political Situation" column article by Jen Hui-wen (0117 1979 2429): "A 'Complete Change-of-Shift, Heart-to-Heart Talk Meeting' in Zhongnanhai"]

[Text] Beijing, 24 (HSIN PAO)—Following his southern-inspection tour early last year, the de facto CPC leader Deng Xiaoping repeatedly stressed: "Whether or not China can do its business well, whether or not we can uphold socialism and reform and opening up, whether or not the economy can be developed earlier, and whether or not our country can have eternal order and peace, the key, in a certain sense, lies in people." He is always concerned about the issue of how to set up a new system of senior party and government leadership so that his line can continue.

According to Beijing sources close to Zhongnanhai, the Second Plenary Session of the 14th CPC Central Committee, which was held 5-7 March, drew up a list of new leading personnel of state organs and of the Chinese People's Consultative Political Conference [CPPCC] National Committee to be recommended to the First Sessions of the Eighth National People's Congress [NPC] and of the Eighth CPPCC National Committee. After completing the new system of party and government leaders (political figures in Beijing describe it as the "post-Deng system"), which was established at the 14th CPC Congress last October, Deng Xiaoping immediately met all the members of the CPC Central Political Bureau who had just concluded the Second Plenary Session in Huairan Hall, Zhongnanhai, on the evening of 8 March. Elder CPC statesmen and other important party, government, and army officials (including those who are retired or going to retire), Yang Shangkun, Wan Li, Yao Yilin, Song Ping, Bo Yibo, Song Renqiong, Wu Xueqian, Gu Mu, Zhang Zhen, Chi Haotian, Hong Xuezhi, Qin Jiwei, and others also attended the meeting. CPC General Secretary Jiang Zemin said in his opening remarks, "Today, CPC Political Bureau members report to and ask for instructions from Comrade Xiaoping and other central leading comrades of the older generation"; whereas, Deng Xiaoping said, "Today's meeting is proposed to Comrade Yang Shangkun and Comrade Wen Li by our man at the helm, Comrade Jiang Zemin, and I think today's meeting should be called a 'change-of-shift, heart-to-heart-talk meeting.'" The meeting lasted nearly three hours. Deng Xiaoping made important remarks on the issue of succession. From 10 March, CPC Central Political Bureau Standing Committee members Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, and Hu Jintao, passed on Deng's remarks to members of the CPC Central Committee attending the Second Plenary Session and to leading cadres of various delegations attending the First Session of the Eighth NPC.

Deng Xiaoping Made Remarks on Succession

The sources said that during the meeting, Deng Xiaoping had talked about a key theme and five major issues.

The key theme was: From now on, the new generation, instead of the old, should be in charge of big business of the whole party and country, and the new generation is those at the helm.

The five issues were: 1. Seizing the opportunity to advance the economy to a new stage has very important strategic significance. 2. From now on, the training and selection of cadres (successors) must be listed as a key project for the party to deal with. 3. The issues of party construction, party discipline, and honest government, which have a bearing on the party life and the fate of the country. 4. Unity within the party and the Army, which is the determining factor of the success of central party tasks. 5. The day when the two sides of the Strait are

united is the time when the Chinese nation is powerful and prosperous, and the people can thoroughly blow off steam in rejoicing.

According to senior figures in Beijing, Deng Xiaoping spoke for 30 minutes, and he also had a photo taken with conferees as a memento after the meeting.

Figures of the political circles in Beijing held that Deng Xiaoping's remarks were, in fact, to entrust the old generation to hand over power to the new one. Since what he spoke about has a bearing on such big issues as the fate of the party and the state, it will undoubtedly become the work guide for CPC leaders of the third generation, with Jiang Zemin at the core.

The sources also said that according to what they had heard from the text record passed on by CPC Central Political Bureau Standing Committee members, the key points of Deng Xiaoping's remarks were as follows.

Deng Xiaoping said, "I am very glad that all of you come here today to have a chat. You (referring to Jiang Zemin and other Central Political Bureau Standing Committee members) must have more foresight, vigor, and scientific minds than our generation, and you must have fewer obsolete things than ours. A few days from now, after the Eighth NPC Session is over, the major issues and the fate of the whole party and country will be entrusted to you, your generation will be in charge, and you will be the master of the party and the country. However, the fate of the party and the country cannot depend on one person, because in this way, we will easily make serious mistakes and bring suffering to the party and the country. Comrade Mao Zedong made such a mistake, and of course, this was also our party's mistake."

CPC Gives Instructions on Propagating Thesis of Seizing Opportunity

Deng Xiaoping added, "Now, we have a line which has been proved by practice to be in line with our national conditions, and we also have a new generation of the central party and government leading group with Comrade Jiang Zemin at the core, which is strong and vigorous. Moreover, over the past few years, we have scored relatively real achievements, but we must be sober-minded and can never be complacent and smug. We must fully seize the current opportunity which is rare, muster our strength, deepen reform, expedite development, and advance economic construction to a new stage. This is a matter with important strategic significance. We must grasp it firmly and give publicity to it repeatedly. Whether or not we can accomplish it is a severe test for the central and local leading groups at various levels. If we do not fully seize, but rather lose this opportunity, we are destined to make a historical mistake."

In order to make key CPC leaders understand the importance of seizing the opportunity to develop the economy, Deng Xiaoping further talked about relations between countries. He said, "Generally speaking, a

country which has economic basis and strength will have bargaining power in the international community. As far as relations between countries are concerned, sometimes it is the political aspect which affects the economic aspect, but most often it is the economic aspect which affects the political aspect. It seems to me that a purely economic point of view is difficult to hold. In the future, the most-favored-nation trade treatment between our country and the United States is reciprocal and mutually beneficial, but the United States obstinately links it with issues which are purely our internal affairs, and this is another proof that they are seizing our economic backwardness to intimidate us. We have stated that proceeding from the long-term interests between the two countries, we do not want a confrontational gesture, but we will never back down on questions of principle. China will not beg other countries for existence and development. If someone obstinately stirs up confrontation, we will oblige them and fight. As far as this point is concerned, we must prepare ourselves."

A senior CPC figure pointed out when conveying Deng's remarks: Deng Xiaoping's thesis on "seizing the opportunity to develop the economy" will enable the whole party and the country to further recognize the point that whether or not the economy develops will have a bearing on the fate of the party and of the country and on China's position in the international community, thus setting off the upsurge of accelerating economic development. He disclosed that Deng Xiaoping had said in Shanghai on the eve of the Spring Festival: "There are not many great opportunities for China to seek development, so once we grasp them, we must grasp firmly and can never waver. If we do not do some more work for China in this century, then China will have big troubles in the next century. Emancipation of the mind is precisely to recognize this question of opportunity and to firmly seize the opportunity to develop ourselves." Hence, he hoped that following the two sessions, leaders at various levels must repeatedly propagate and conscientiously implement Deng Xiaoping's instructions on "seizing the opportunity to develop the economy. They must not bungle the opportunity, and even more, they must not be involved in an endless debate. Only in this way can various provinces, as well as China, have a future."

Bane Will Be Left Over Without Restructuring

The sources added: When speaking on the issue of party construction and honest government, Deng Xiaoping said, "As the ruling party, the issue of honest government has a bearing on the fate of the party and the country, we must conscientiously grasp it well. Someone said that reform and opening up has brought about corruption, and others even said that corruption is the product of the communist system. All these are prejudice. Today, even in capitalist countries which are economically developed, some key political figures also take bribes, how to explain it? In some capitalist countries in Asia and South America, the problem of corruption cannot be reversed for over a decade, how to explain it? We, the CPC, have identified the severity of this

problem. It can be said that this problem has come to a stage which is intolerable, and it is one of the major problems which must be solved under the new situation at present. We admit that there is a problem in the quality of party members. Hence, we must enforce strict discipline within the party and reform the cadre personnel system, thus making party members, leading party cadres in particular, work under the supervision of the masses and under the restraints of law."

Figures of political circles in Beijing commented that for the CPC at present, the issue of honest government is a formidable task. Due to the fact that corruption is increasingly widespread and increasingly serious, if no effort is made to restructure, this problem will be hard to contain, not to mention to solve thoroughly.

What is regrettable is that although Deng Xiaoping spoke on the issue of honest government on several occasions recently, he did not bring up again the question of the necessity of reforming the system of state leadership, which he had solemnly pointed out as early as in August 1980. Since he maintains a low profile on the issue of political restructuring, it is very likely that the bane of political instability will be left over after his demise.

Beijing University Head Stresses Ideology

HK2603031293 Hong Kong THE STANDARD in English 26 Mar 93 p 8

[By S L Law in Beijing]

[Text] The conservative head of Beijing University, Wu Shuqing, insists that studies on orthodox Marxist ideology will be stepped up rather than reduced.

"We will not drop curriculum subjects in this aspect. China's economic development and adoption of socialist market economy was actually based on Karl Marx's theories on capital while taking into account China's practical conditions," Wu said.

Wu also announced the university would readmit student leader Wang Dan, who was released in February, provided he again passed the required entrance examinations.

Wang, a former history major, was kicked out of school and sentenced to four years in jail for leading Tiananmen Square student protests in 1989.

Wu said Wang Dan would not be discriminated against for his political beliefs if he planned to return to Beijing University.

"He can take examinations in accordance with procedure. If he does well, then he can be admitted," he said.

Wu, who took charge of the university, traditionally a political hot-bed, after the 1989 protests defended his orthodox stance.

"We can never say that Marxist theories have lost their relevance. On the contrary, it is time for us to upgrade studies in these theories instead of abandoning them," he said.

He denied earlier reports that the People's University in Beijing was planning to drop its orthodox Marxist curricula.

However, Wu admitted that was restructuring curriculum to meet the new social demands emerging from China's adoption of a market economy.

"We are planning to create new curricula such as insurance, business management, business laws, international finance, international accounting and foreign languages," he said.

Despite his insistence on Marxist theories, Wu has strived to set up profitable university enterprises.

'Minor Changes' in University Entrance Exam

OW2603105093 Beijing XINHUA in English 0832 GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—China will continue the national university entrance examination system, with only minor changes, said Mr. Wang Zhichang, director of the Higher Education Department of the State Education Commission.

But he promised to delegate the power of enrollment to universities and colleges when they can keep themselves within the bounds of discipline and the public supervision system has taken shape.

He said that the reform in the university entrance examination system should be guided by the principles of enrollment on merits by taking into consideration the ethical, intelligent and physical conditions and persistence in the national entrance examination system in order to protect fair competition and fair enrollment.

China will enroll 786,000 students for more than 1,000 universities and colleges this year, 300,000 more than last year.

"Some agricultural and forestry colleges will continue to set separate examination papers while some normal colleges will start enrolling students before others," Wang said.

The general universities and colleges will have the power of working out their own plans to enroll additional students and paid students.

In addition, the experiment in cutting subjects of examination will be extended to Beijing, Hubei and Guizhou to bring the total number of seven. In these places, the subjects of examination will be five for both liberal arts and science instead of six for liberal arts and seven for science.

Wang said that there will be no changes in the enrollment methods for students from Hong Kong, Taiwan, Macao and Overseas Chinese students.

Condolences on Wang Zhen's Death Acknowledged

OW2603004593 Beijing XINHUA Domestic Service in Chinese 0810 GMT 25 Mar 93

[Text] Beijing, 25 Mar (XINHUA)—The General Offices of the CPC Central Committee, the National People's Congress [NPC] Standing Committee, the State Council, and the Central Military Commission issued an announcement on 25 March. The text of the announcement follows:

"Since the death of Vice President Wang Zhen, government departments, political parties, friendship organizations, friendly peoples of various circles, and envoys to China, of many countries; Chinese residing overseas; Overseas Chinese; and compatriots of Hong Kong, Macao, and Taiwan have sent cables or letters to express their heartfelt condolences for Vice President Wang Zhen's death. The General Offices of the CPC Central Committee, NPC Standing Committee, the State Council, and the Central Military Commission were instructed to express their sincere thanks."

Science & Technology

Plans To Develop Nuclear Power Industry Noted

OW2503155193 Beijing XINHUA in English 1531 GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—A number of nuclear power projects planned or under construction in China give evidence that the country is trying to ease a worsening energy shortage by developing its nuclear industry.

The country has already made remarkable achievements in developing nuclear industry while readjusting its energy development strategy.

The Qinshan nuclear power plant, the first to be designed and built solely by China, started operations in December 1991 with one 300,000-kw generator.

In November 1992, the state officially ratified a feasibility study on the second-phase project on the Qinshan nuclear power plant, which has two 600,000-kw generators. The initial design has been passed an expert appraisal, and civil engineering on the project will start in May this year.

Construction on the Daya Bay nuclear power plant in Guangdong, south China, has been running smoothly. At the end of last year, the No. 1 reactor succeeded in a cold-function experiment. Sources said the two 900,000-kw generating units are expected to go into operation between the end of this year and the middle of next year.

China has also approved the construction of the Guangdong nuclear power plant and the Liaoning nuclear power plant, on which feasibility studies and talks with foreign partners are underway. The two one-million-kw units at the second Guangdong nuclear power plant after the Daya Bay have been listed in the state's Eighth Five-Year Plan, and efforts are being made to select suppliers of major equipment and site for the project.

The site of the Liaoning nuclear power plant has been determined, but officials has [as received] not disclosed it. In December 1992 the Chinese and Russian Governments signed an agreement on nuclear power cooperation in Liaoning.

In addition, China is now developing a small power reactor with a generating capacity of less than 50,000 kw. The reactor can be used for both military and civil purposes and can supply both heat and electricity, with the advantages of having high security, a short construction term and low cost. This new prototype reactor will be used in coastal areas, remote sections of the country and in economic development zones.

Energy, transportation and raw materials have long been deemed the three major bottlenecks restricting China's economic development. In recent years, with fast-paced and steady economic development, problems caused by these bottlenecks have become increasingly prominent.

In 1992, China turned out 742 billion kwh of electricity, up 64.5 billion kwh over the previous year. Yet many areas of the country, including some larger cities, still suffer from shortages of electricity.

A senior Chinese official in charge of the energy industry said that "to catch up with the electricity-consuming level of middle-level developed countries in the next 20 to 30 years, China has to have a generating capacity of 1.3 to 1.4 billion kw, of which hydropower can at most supply 300 million kw."

"It's impossible to supply the rest by relying solely on thermal power, which would burn two to three billion tons of coal annually," the official said.

"The only way out is to construct a large number of nuclear power plants and develop other new energy sources."

The most significant opportunity for the development of nuclear power in China is the common view formed in recent years on the importance of nuclear energy.

Zou Jiahua, vice-premier and director of the State Council's leading group on nuclear power, said recently that the economically-developed east and south coastal areas are short in coal and water resources, and that they should quicken the pace of development of nuclear energy.

As a result, the traditional policy of "paying major attention to the development of hydro and thermal power, with nuclear power as a supplement" should be

readjusted to "paying equal attention to the development of hydro, thermal and nuclear power, while implementing measures suited to local conditions."

Chinese nuclear experts hold that, as a new energy source, nuclear power not only can help solve the shortage of energy in the east and south coastal areas, but also can help alleviate transportation problems and cut down air pollution.

Officials have revealed that Fujian, Jiangxi, Jiangsu, Shandong, Anhui, Hunan, and Shanghai, as well as other provinces and cities, have applied to the central government for permission to construct nuclear power plants.

Expert Defends Satellite-Launching Rocket

*HK2503151593 Beijing ZHONGGUO XINWEN SHE
in Chinese 1422 GMT 23 Mar 93*

[By staff reporter Zhu Daqiang (2612 1129 1730)]

[Text] Beijing, 23 Mar (ZHONGGUO XINWEN SHE)—Professor Liang Sili, a Chinese expert in the autocontrol systems of carrier rockets and also a member of the National Committee of the Chinese People's Political Consultative Conference, told this reporter in an interview that numerous tests of launching astronomical devices had proved that the reliability of China's Long March-2E cluster rockets had reached a rather high level, so they were rather competitive in the international market.

Professor Liang Sili is one of the founding fathers of China's astronautics industry. He has been engaged in the research and development work related to the autocontrol systems of carrier rockets, and has made major contributions to the enhancement of the quality and reliability of astronautics projects.

Professor Liang held that quality and reliability form the lifeline of the astronautics industry, and because the quality and reliability of products are determined by the design, realized in production, and guaranteed by management, reliability is a project. The reliability of China's astronautics products has been continuously enhanced.

He cited the example of last year's launching of the Australian satellite "Aussat-B2" to prove the reliability of the cluster rocket Long March-2E. Although the satellite exploded after takeoff and the effective load decreased sharply, the rocket still continued to fly stably and carried the remaining effective load accurately to the projected orbit. That was unprecedented in the world, and it indicated that the reliability of Long March-2E has reached unprecedented heights.

Professor Liang Sili said: The advance of China's astronautics industry into the world has played a great role in strengthening the cohesive force and self-confidence of the Chinese nation, and is also a step of great significance for implementing the principle of taking science and technology as the primary productive force and for

enhancing the whole nation's interest in science and technology. A few days ago, some reporters asked me about the causes of the accident occurring with Aussat-B2, and their reports were not accurate when mentioning some technical issues, so it is hoped that an explanation might be given through ZHONGGUO XINWEN SHE.

Professor Liang Sili also expressed his personal opinion on the untrue allegations in an article entitled "Rupture of the Dome of the Chinese Rocket Caused the Failure of the Long March Rocket" carried by a recent issue of the American magazine AERONAUTICS WEEKLY AND SPACE TECHNOLOGY. He said: The detonating cord and explosive bolt have been found intact in the remains of the exploded satellite. This showed that the dome was not ignited normally through the detonating cord, but was torn by the explosion of the satellite; pits caused by the fragments of the exploded satellite were found on the inner wall of the honeycombed dome; and a clip used to fix cables inside the satellite was found embedded in the inner wall of the dome after the satellite exploded.

Professor Liang Sili also said that the Hughes Company is the world's leading satellite manufacturer, and has rich experience. I believe that before long, the Hughes Company will discover the causes of the accident with Aussat-B2. In the high-tech sphere of astronautics, it is hard to avoid low-probability breakdowns, and that is not surprising. This will not affect the technological reputation of the Hughes company.

'Largest' Tellurium Mine Discovered in Sichuan

*HK2503122193 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0912 GMT 25 Mar 93*

[Text] Chengdu, 25 Mar (ZHONGGUO TONGXUN SHE)—Primary deposits of tellurium, a rare mineral in the world, have been discovered in Sichuan's Shimian county, rewriting the theory generally acknowledged in world mineral study that rich reserves of tellurium are impossible.

Tellurium, which is a semimetal, can be used in petroleum dissociation catalyzers and as a glass coloring agent. It is also the best material substitute for freon. Its compound and hyperepure monocrystal are material for producing computer storage chips and photoresistive elements used in infrared technology.

The tellurium mine discovered by the Sichuan Rare Nonferrous Metal Corporation 15 km from Anshun is the only one in the world which is worth exploiting. According to a laboratory test, the content of tellurium is 1-12 percent, and sometimes reaching as high as 36.6 percent, far exceeding the standard of 1 part per 100,000, the content sufficient for industrial exploitation. In addition, the ore also contains 3-20 percent bismuth, which is now named tellurium bismuthine. Exploitation of the mine, which covers an area of around 50 km, will start in April. The mine, which is the largest and only

primary tellurium production and processing base in the world, will produce 8-10 tonnes of refined tellurium a year.

Military

Army Paper on Structural Reform, Market Economy

HK2503141593 Beijing JIEFANGJUN BAO in Chinese
17 Mar 93 p 3

[Article by Yao Bolin (1202 2672 2651): "Changing the Mind Needs Dialectical Thinking"]

[Text] The 14th CPC National Congress has defined the objective of China's economic structural reform as being to institute socialist market economy. This new theoretical breakthrough calls for us to take Marxist dialectical thinking as guidance and change our minds conscientiously. This is an essential prerequisite for deepening our understanding on socialist market economy so that our ideology will keep pace with the development of the times.

First, we should avoid searching for evidence to fetter ourselves with "bookishness" [ben ben 2609 2609]. One of the reasons some comrades do not favor practicing market economy is: "Our forefathers never mentioned it, and there is no record about it in books." With great political and theoretical boldness, the 14th party congress, in its report, made the scientific policy decision of building the socialist market economic structure, which indeed had never been mentioned by our forefathers or recorded in books. However, following the development of the times and the changes in the situation, what we should say must be said, and what we should do must be done. So long as they conform to the national conditions, win the support of the masses, make scientific generalization, and contribute to the progress and development of the republic, they are Marxist in contemporary China. Since the Third Plenary Session of the 11th CPC Central Committee, a distinguishing feature of our party in our attitude toward Marxist theory is that we do not rest at a dogmatic understanding of certain principles and books on Marxism, at some unscientific or even distorted knowledge toward socialism, and at those incorrect ideas of transcending the initial stage of socialism. Toward socialist market economy, which is an effective form of rational distribution of resources and a mechanism regulating the relations of supply and demand, what grounds do we have for obstinately sticking to books! Conversely, we should emancipate the mind, dare to explore new ways, and dare to make experiments, so that we will be able to think more freely and act with greater energy.

Second, we should avoid the way of thinking that "it must be either socialism or capitalism" and the way of taking phenomena as the essence. For a long time, the traditional view of some comrades has been: The market economy cannot be practiced under the socialist system

as it is linked to the innate character of capitalist society, thereby forming the thinking method that "it must be either socialism or capitalism." Thus, phenomena are taken as the essence. In the economic system of a particular society, which is constituted by the relations of production as a whole, the ownership of means of production is the core and foundation, which decides the basic nature of the social and economic systems in question. Obviously, market economy is only an economic management system or economic operational model of large-scale social production, and does not involve the personalized ownership [ren ge gui shu 0086 2706 2981 1466] and the principal production and exchange of material production means. Hence, it is not essentially and inevitably connected with the basic social system. It is obviously a practice of "weaving a cocoon to imprison oneself in it" to obstinately take market economy as a social system and proceed to link it with capitalism. We should under no circumstances be restricted in mind and action by the abstract controversy of "being surnamed 'she' [socialism] or surnamed 'zi' [capitalism], lest we should bungle the opportunity of expediting reform and economic development.

Third, we should avoid sticking to old rules and breaking away from the rich practice of the masses. It is certainly not an abstract theoretical controversy regarding whether or not a market economic system should be instituted, as the history of world economic development and the successful practice of China's reform and opening up for 14 years have answered this question. Market economy is an effective means to regulate the entire social and economic operation, characterized by independence, openness, equality, and competitiveness, and filled with immeasurable vigor and vitality. The average growth in total annual output value of Guangdong, the first province to stride into the market economy in China, in the past 10 years or so was as high as 12.6 percent, the highest in the country. This growth rate is three percentage points higher than the nationwide average, and is also higher than those of Japan and of Asia's "four little dragons" which have attained faster economic development since World War II. The great practice of reform and opening up engaged in by the masses has smashed the outmoded conventions and customs. So long as we take the "three beneficiaries" and the practice of the broad masses as the basic criteria for judging and analyzing things, there is no reason to cling to conventions and customs and to doubt the correctness of practicing market economy.

Fourth, we should avoid stopping after scratching the surface and prevent certain links of the "chain of concepts" from falling off. Some comrades have failed to acquire a thorough understanding in studying the issue of instituting a market economic system. They have just stopped after gaining a little knowledge of the subject. Superficially, they have comprehended something, but, once they come to some specific issues concerning market economy such as shareholding, bonds, stocks, the labor service market, trading in real estate, and so on,

they are apt to relapse, thinking that "this is the capitalist stuff criticized in the past, is it not?" The market economy is a large system and is seemingly a chain formed by various links, which should be a complete "chain of concepts" reflected in people's minds. However, certain links in the "chain of concepts" of some comrades have fallen away so that the operation of the entire chain is affected, which has elicited some errors in understanding, and calls for us to "change our minds" through studying the theory of building socialism with Chinese characteristics, and to recast a brand new "chain of concepts" which is rich in the characteristics of the times, with a view to setting up a systematic and comprehensive concept of socialist market economy in our minds. Only by so doing can we conform to the tendency of the day, further push forward the development of socialist market economy, and give impetus to the great cause of building socialism with Chinese characteristics.

Economic & Agricultural

Restructuring of Foreign Trade Sector Studied

OW2503171093 Beijing XINHUA in English 1613
GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—China is to push forward restructuring of its foreign trade sector, according to "primary points on economic restructuring in 1993" drafted by the state commission for restructuring the economy.

According to the document, which was approved by the State Council today, the government will grant greater autonomy to state enterprises engaged in foreign trade in accordance with the laws and regulations concerned.

The firms will be encouraged to form groups, to be industrialized and to become transnational in nature, the "primary points" says.

To meet the requirements for reentering the General Agreement on Tariffs and Trade (GATT), China will continue its reforms of foreign trade, such as further lowering tariffs on imported goods in a planned way and introducing a competitive mechanism among the country's foreign traders, the document remarks.

Moreover, the country will speed up its work on drafting a series of laws on market and trading activities, including the anti-unfair competition law, the foreign trade law and anti-dumping law.

Column Views Joint-Stock System Reform

HK2603103393 Beijing RENMIN RIBAO in Chinese
15 Mar 93 p 5

[From the "Corner for Discussing Socialist Market Economy" column by Zhou Shulian (0719 0647 5571), director of the Chinese Academy of Social Sciences Industrial Economics Institute: "Changing the Enterprise Operational Mechanism Demands Quickening the

Pace of Reform of the Enterprise Joint-Stock System"; first four paragraphs are RENMIN RIBAO editor's note]

[Text] In his report to the 14th CPC National Congress, Comrade Jiang Zemin pointed out: "The target of China's economic structural reform is to establish the structure of the socialist market economy, so that the productive forces can be further emancipated and developed." This is a scientific summation of the practical experiences from China's reform and opening up during the past 14 years, an important breakthrough in China's socialist economic theories, and an enrichment and development of the Marxist economic theory and the theory on scientific socialism. It will inevitably have a profound influence.

Since the 14th CPC National Congress, we have published on this page a series of articles on the socialist market economy, such as Liu Guoguang's "A Brief Account on the Socialist Market Economy" (26 October 1992); Gui Shiyong's "On Establishment of a Socialist Market Economy Structure" (6 November 1992); Chen Jinhua's "Promote Coordinated Reforms, Establish Socialist Market Economy Structure" (16 November 1992); Su Xuan's "Establishing a Socialist Market Economy Structure Means a Revolution" (29 Dec 1992); and Zou Jiahua's "Enterprises Must Cater to and Enter Market." Zhang Jingfu's "Conscientiously Sum Up the Experiences of 'Greenwood Heroes'," and Jia Qinglin's "Practice of Socialist Market Economy Is Only Way To Follow As Seen From What Has Happened in Fujian" (all 20 November 1992). They were all well received by the vast numbers of readers.

Establishing a socialist market economy structure is a very complicated and systematic social project. It can be established and perfected only through long-term explorations and experiments by our party and various social circles and through our arduous and painstaking efforts on the basis of the achievements we have made over the past 10 and more years in cultivating and developing the market. At present, we are still on the road of explorations in respect of studying and establishing a socialist market economy structure. Only by deepening our understanding, with the development of our practices, can we gradually advance from a realm of necessity to a realm of freedom; smoothly push forward the work of transforming our economic structure; and can we vigorously promote the development of the cause of building socialism with Chinese characteristics. In this respect, theoretical workers are shouldering important historical tasks. To encourage and promote theoretical study and exploration of the socialist market economy and promote the establishment and perfection of a socialist market economy structure, a new column entitled "Corner for Discussing Socialist Market Economy" has now been opened on this page.

In this column, we will resolutely implement the double-hundred policy and the party's basic line and endeavor to explore concrete paths for establishing a socialist market economy structure in accordance with the spirit

of the 14th CPC National Congress, under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and in light of China's concrete situations. Today, two articles are published on this page. They are excerpts of speeches made by the authors at a recent symposium held jointly by the RENMIN RIBAO Theoretical Department and the Chinese Academy of Social Sciences Industrial Economics Institute. We warmly welcome vast numbers of theoretical and practical workers to contribute articles to this column.

When changing the operational mechanism of the enterprises owned by the whole people, or the state-owned enterprises, there must be a suitable organizational method. Judging from historical experiences both at home and abroad, the joint-stock system might be a more suitable organizational form for enterprises. Changing the operational mechanism of enterprises is a new idea, which was put forward in the course of enterprise reform after summarizing and reconsidering the original reform idea of giving enterprises more decisionmaking power and profits and which was put forth for the purpose of intensifying reform. It has three important characteristics. First, it emphasizes the entirety and comprehensiveness of reform. That is, reform is not merely aimed at giving enterprises more decisionmaking power and profits and changing certain enterprise operations, but is aimed at enabling enterprises to obtain the operational mechanism of an independent commodity producer and operator through comprehensive reforms. Second, it emphasizes systematization of reform and demands the carrying out of coordinated reforms. It is not only imperative to adopt all necessary reform measures but it is also necessary to make these measures coordinate with one another both in time and space. Third, it emphasizes the fundamentality of reform, meaning, reform is not only for the solution of superficial problems but also for the solution of deep-rooted problems and for reestablishing enterprise systems so that enterprise operations can entirely meet the demands put forward by the objective pattern of reform.

To change the operational mechanism of enterprises, it is necessary to resolve the problems concerning enterprise systems, and priority should be given to it. The objective in changing enterprise operational mechanism is to enable the enterprises to become independent commodity producers and operational units which carry out independent operation and management, assume sole responsibility for their profits and losses, and are capable of developing and restraining themselves. This is also the objective of reform of enterprise systems. What are the fundamental problems to solve in order to achieve this objective? Judging from the history of enterprise reform and the current situation, the major and most difficult problems to solve are those of separating government administration from enterprise management and clarifying property rights. Under the conditions that government administration was not separated from enterprise

management, the enterprises did not have the due decisionmaking power and were unable to carry out independent operations. It was also difficult for them to assume sole responsibility for their profits and losses. They were certainly not real commodity producers and operational units. Under the conditions that the property rights were unclear the enterprises did not have their own property because all the property belonged to the state. It was natural that the government, rather than the enterprises, should assume sole responsibility for the profits and losses. Under such circumstances, the enterprises too, were not real commodity producers and operational units. Therefore, in order to change the enterprises' operational mechanism, it is necessary to make great efforts to solve the problems of separating government administration from enterprise management and clarifying the property rights. Why is the joint-stock system a suitable form for changing enterprise operational mechanism? This is decided by the characteristics of the enterprises under the joint-stock system. The main characteristics of the enterprises under the joint-stock system are: First, the enterprises are in a position independent of the investors. They can operate as main civil bodies and have the proprietary rights of legal persons. Second, the shareholders have limited responsibilities for the liabilities of the enterprises. In other words, they share the liability responsibilities of the enterprises based on the shares they are holding. Third, the stockholders entrust the board of directors with carrying out operations and the board of directors assume the responsibility of trust and take the interests of all stockholders as the norm of their operation. Therefore, the joint-stock system is not only conducive to solving the problem of separating government administration from enterprise management but also conducive to the solution of the property rights problem in the state-owned enterprises.

We can gain enlightenment from some Western joint-stock companies. In Western joint-stock companies, the stockholders have the stock ownership, which is the final ownership, and the company as a legal person has the legal person's ownership. The stockholders are not entitled to directly handle the company's property, which is handled by the company—the owner of the property. In our country, when the state-owned enterprises are changed into joint-stock companies, the state has the final ownership and the enterprise has the legal person's ownership. If the state-owned enterprise sells some stocks to collective units or individuals, then the enterprise, units, and individuals, except for the state, can all become stockholders, who share the final ownership with the state, and the enterprises will have the legal person's ownership and become property owners. Thus, the property rights relations of state-owned enterprises can be made clear and changes in many fields will take place in the enterprise operational mechanism: First, the enterprise's right to operation is guaranteed. Second, it is possible for the enterprise to assume sole responsibility for profits and losses. Third, the enterprise will have a mechanism of self-restraint and be able to overcome

short-term conducts. In this way, the enterprises will become real independent commodity producers and operators.

People generally agree that the operational mechanism of township and town enterprises should be introduced into the state-owned enterprises. Naturally, this can help invigorate the state-owned enterprises. However, as there are conditions for the formation and development of such operational mechanism in township and town enterprises, such as property rights relations, market conditions, labor system, and distribution system, if the state-owned enterprises do not have similar conditions, it will be very difficult for them to introduce the operational mechanism of township and town enterprises. By practicing the joint-stock system in the state-owned enterprises, favorable conditions can also be created for introducing the operational mechanism of township and town enterprises. I believe that there are conditions now for accelerating reform of the joint-stock system in enterprises. First, an increasing number of people have come to understand that the joint-stock system is an outcome of the socialized mass production and the development of the commodity economy and we can use it to serve the development of a socialist market economy and give play to its positive roles in raising funds, clarifying property rights, separating government administration from enterprise management, and other fields. Second, both achievements and experiences have been obtained in the experiments on the joint-stock system in state-owned enterprises, and the experiences of the Western countries in the joint-stock system can also be taken as our reference. Third, the practice of the contract system in enterprises also provided certain conditions for the practice of the joint-stock system. For example, both the contract of mortgage loans and the separate accounts for enterprise funds are favorable factors for developing the contract system into a joint-stock system. Fourth, some necessary rules, regulations, and systems have already been worked out to facilitate the development and standardization of the joint-stock system, such as the "Suggestions on Standardization of the Companies Limited by Stocks" and the "Suggestions on Standardization of the Companies Limited by Responsibilities." Fifth, quite a few state-owned enterprises are demanding to practice the joint-stock system.

Enterprises under the joint-stock system is a suitable form for changing enterprise operational mechanism but this does not mean that this organizational form is all-powerful. We must also integrate reform of enterprise joint-stock system with the change of government functions so that the problem of separating government administration from enterprise management can be solved from various aspects. The enterprises under the joint-stock system also have their specific problems to solve. For example, how to realize dispersion of the stock ownership of the state-owned economic sector. If these problems are not solved, it will still be difficult for the enterprises under the joint-stock system to give play to their positive roles.

Document Outlines Economic Restructuring

OW2503170393 Beijing XINHUA in English 1630
GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—The Chinese State Council recently consented to "primary points on economic restructuring in 1993" raised by the State Commission for Restructuring the Economy.

Meanwhile, the top administrative body issued a circular asking localities to carry out the document in line with the actual situation.

The important speech made by Deng Xiaoping in his south China tour early last year and the 14th National Congress of the Chinese Communist Party which was held last October mark the entering of a new historic stage of the country's ongoing reform and opening drive, the circular notes.

1993 is the first year for implementing the reform towards building a socialist market economy in China, the State Council notice says.

According to the "primary points", the major task in economic restructuring this year is to continuously transform the operational mechanism of state-owned industrial enterprises, in line with the relevant regulations approved by the State Council in July 1992.

The regulations are centered on shifting the management mechanism of state enterprises and shifting government's functions in economic administration so as to accelerate reforms of the firms by pushing them onto markets.

In the meantime, price reform will be sped up as a turning point to coordinate prompt restructuring of the sectors of finance, taxation, banking and planning, according to the "primary points".

The document drafted by the commission also calls for greater efforts to develop the market system and quicken the reforms of the country's foreign trade structure, social security system and land-use system.

All localities should materialize the 14 autonomy rights of state firms decreed in the regulations one by one, while the enterprises should actively compete on domestic and international markets and deepen reforms of labor, personnel and distribution, according to the "primary points".

A number of the enterprises will be transformed into joint stock companies in a planned manner, and meanwhile, enterprise groups formed by state companies should be further improved, the document says.

The "primary points" demand governments at all levels substantially change their administrative functions in economic affairs and, step by step, abolish the subordinate relationship between governments and state-owned enterprises as governments should return all the rights decreed by the regulations to the firms.

The planning and investment structures will be reformed as the mandatory part of the state planning will be further shrunken, and furthermore, local governments will be encouraged to invest in infrastructures and welfare facilities, according to the "primary points".

The enterprises, under the guidance of the government, will become the real main body of the investment, the document says.

The "primary points" urges further pushing forward of the restructuring of the banking system by improving macro-control over the sector.

On the reform of the country's labor system, the document stresses developing labor markets and improving the employment service system while giving great impetus to the expansion of the tertiary industry so as to provide more opportunities for the unemployed.

The document also deliberates on the reform of the pension system, the setting-up of a unitary unemployment insurance system for all employees of Chinese nationality and the establishing of a social medical-care insurance system.

In 1993, housing reform will also be spurred on, including leasing, selling and building more residential houses, the document says.

The "primary points" also urges development of the socialized service network in the countryside and deepening of administrative reforms of the country's mushrooming new, high technology development zones.

State Council on Economic Restructuring

OW2503041593 Beijing XINHUA Domestic Service in Chinese 2125 GMT 24 Mar 93

[Text] Beijing, 25 Mar (XINHUA)—The State Council recently transmitted the "Main Points of Economic Restructuring in 1993" drawn up by the State Commission for Economic Restructuring. The State Council also issued a circular urging all regions and departments to earnestly implement these main points with effective measures and according to their actual situations.

The circular points out: China's reform and opening up endeavors have entered a new historical stage since Comrade Deng Xiaoping gave his important talks during his inspection tour in southern China and since the convocation of the 14th party congress. The year 1993 is the first year of restructuring according to the objectives set for building a socialist market economic system. All regions and departments should fully comprehend and earnestly carry out the guidelines laid down by the 14th party congress, continue to emancipate their minds, seek truth from facts, firmly intensify their leadership over reform, and place greater efforts on carrying out reform. We should seize the current opportunities and establish our footing on accelerating structural readjustments, achieving higher economic returns, and dealing with deep-seated problems in our economic system so as to

accelerate the process of replacing enterprises' operating mechanisms and changing government departments' functions in overseeing economic affairs. We should boldly explore, actively experiment, and strive to make substantial progress in carrying out reform in certain key sectors to build an even stronger foundation for building an initial socialist market economic system in the nineties and to better and more quickly bring about national economic development.

The State Commission for Economic Restructuring has pointed out in its main points of economic restructuring in 1993 that the main restructuring assignments in 1993 are: continue to implement the "Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises" (hereafter referred to as "regulations" for short), giving priority to changing state-owned enterprises' operating mechanisms and changing government departments' functions in overseeing economic affairs, and accelerate enterprises' restructuring around the central link of pushing them to the market; while accelerating price reform, carry out supporting reforms relevant to fiscal, taxation, monetary, and planning systems; energetically develop a market system and accelerate restructuring the foreign trade system, giving priority to reforming import management; comprehensively promote the restructuring of systems governing social security, housing, and land use; and upgrade the quality of pilot projects of comprehensive reform and earnestly build a sound foundation for the new system.

The "main points" state: All local authorities must regard implementing the "regulations" as the central task of enterprise restructuring and, acting strictly according to the requirements set by the CPC Central Committee and the State Council, intensify the efforts of drawing up specific implementation measures and grant enterprises the autonomy of taking charge of their operations in 14 areas. With the authority prescribed in the "regulations," enterprises should take the initiative in competing in the domestic and international markets; they should continue to restructure their labor, personnel, and distribution systems and develop market-oriented, efficient, and vital mechanisms; and they should safeguard their legitimate rights and interests by means of the legal measures prescribed in the "regulations." All localities should sum up and propagate their effective measures for changing enterprises' operating mechanisms. For enterprises whose contracts will expire in 1993, efforts should be made to create for them conditions for implementing the system that requires payment of tax plus a percentage of profits to the state. After having been approved, enterprises with the necessary resources may experiment with selling stocks or continue with their contractual, leasing, and other forms of operations on the basis of improving these systems. For enterprises that continue to undertake production contracts, local authorities must firmly separate control from these enterprises' operations. While improving various forms of contractual operations, they should intensify the effective management over the values of

state enterprises' assets so enterprises will earnestly undertake the responsibilities of preserving and increasing the values of state assets. Enterprises must earnestly implement the newly promulgated "General Rules for Enterprises' Fiscal Affairs" and "Principles for Enterprise Accountancy" and the fiscal and accountancy rules that will soon be promulgated for different trades. Enterprises should formulate new measures for controlling their fiscal and accountancy operations on this basis.

The "main points" state: While experimenting with their stock and share system, enterprises should proceed in accordance with the regulations drawn up by the State Council and the standards set by relevant departments under the State Council. On the basis of rationalizing property rights, some state enterprises should be reorganized in a planned manner to become joint-stock enterprises. The priority of experimenting with the stock and share system should be given to organizing limited liability companies. The organization of joint-stock companies, in which legal persons are share holders, should be promoted in an organized and well-led manner. Strict control should be exercised in enterprises in which the staff members are also stock holders. The operations in these enterprises must be strictly governed by relevant regulations of the state. The regulations in "the State Council Circular on Further Intensifying the Macroscopic Control Over the Securities Markets" must be strictly implemented. Within the scopes set by the state and with the approval of relevant departments, all provinces, autonomous regions, municipalities under the central government's direct jurisdiction, cities authorized to make independent economic planning, and relevant departments under the State Council may carry out pilot projects in one or two large or key enterprises to sell stocks locally or in other areas. In conjunction with reforming the investment system and implementing the relevant regulations prescribed in the "General Rules for Enterprises' Fiscal Affairs," enterprises should expand their experiment with appraising their fixed assets and circulating funds; through defining property rights, they should rationalize asset ownership, verify their capital, and define the responsibilities borne by enterprises or proprietary companies as legal persons and principal competitors in the market; and they should actively explore effective ways of preserving state property. To further improve the regulations governing enterprises' stock system, all local authorities should strictly implement the "Measures for Experimenting with Joint-Stock Enterprises," "Opinions About the Scope of Limited Companies," and "Opinions About the Scope of Limited Liability Companies." Efforts should be intensified to draw up the "Corporation Law" and the "Law Governing State Assets" on the basis of summing up experiences.

The "main points" call for further developing and improving enterprise groups and all forms of lateral economic associations. They state: The capital bonds among enterprise group members must be strengthened, core enterprises in the group should be encouraged to

purchase and hold stocks of member enterprises, and enterprise groups should strengthen their internal management. Enterprise groups should be organized rationally according to the principle of voluntary participation; administrative government departments should not take over enterprises by administrative measures or turn administrative organs into enterprise groups or companies. The role of market mechanisms should be given full scope in the merger of enterprises. Mergers must be handled according to market laws, and enterprises' autonomy regarding their merger or partnership should be respected. Small industries, retail outlets, and food and other services owned by state should continue to be restructured, leased, or sold. Small state enterprises may experiment with the joint-stock system or operate through long-term leasing. With approval, they can sell part of their property rights to legal and natural persons in other areas. Local authorities should experiment with this reform in accordance with the "Provisional Measures for Selling the Property Rights of Small State-Owned Enterprises" promulgated by the State Commission for Economic Restructuring and other departments. Legally bankrupt enterprises must declare bankruptcy with resolve, pay their debts, and place their personnel. Banks, labor, and other relevant departments must intensify their efforts to draw up supporting measures for carrying out the "Bankruptcy Law." Enterprises should be encouraged and guided to undertake the operations of other enterprises through contractual or leasing agreement. Well-managed enterprises in special economic zones and open coastal areas should be encouraged to come to inland areas to undertake the operations of their enterprises through contractual or leasing agreements. Rural enterprises and urban enterprises should be encouraged to undertake each other's operations through contractual or leasing agreements. Domestic enterprises with the means can encourage foreign businessmen to undertake their operations through contractual or leasing agreements. Markets of trading enterprises' property rights may be established on an experimental basis in a well-organized manner.

The "main points" urge: People's governments at all levels must earnestly change their functions of overseeing economic affairs, gradually break the administrative ties between specialized government economic departments and enterprises, and return all operating rights to enterprises. Markets and enterprises should be allowed to solve whatever problems they can resolve themselves. Instead of exercising direct control over enterprises' production operations, government departments should provide indirect regulation and control through overall planning, drawing up policies, organizing coordination, providing services, and improving auditing and supervision. The restructuring of central and provincial government organs should proceed according to the central government's unified planning. Restructuring experiments of rationalizing the property rights between state enterprises and separating enterprises from government controls should proceed in a

will-guided manner. Overstaffed and inefficient administrative organs—which are associated with the highly centralized planned economy and which exercise departmental control according to the nature or products—must be restructured step by step. Establishing “small organs providing efficient services” is the general guideline for the restructuring of county-level organs. These organs should change their functions, trim their sizes, improve their services, and tighten their supervision. Local authorities should attach importance to restructuring county-level organs, actively expand the scope of experiments, and regard this as a start to promote organizational restructuring at all levels. Pilot projects of restructuring the state’s civil service should be broadened on the basis of experiences gained from pilot projects conducted over the past several years.

The “main points” state: In price reform, it is necessary to seize opportunities to straighten out price relations and to establish price-forming mechanisms mainly guided by market supply and demand. Prices for energy resources, raw and semifinished materials, and transport—especially the prices for coal, crude oil, electricity, railway freight transport—should be readjusted in a planned way. While further straightening out price relations and decontrolling prices for major means of production, such as for steel products, we should continue to reduce the varieties and amounts of the means of production controlled by the state and expand the scope of market regulation. Prices for grain, cotton, edible oil, and other farm products should be decontrolled step by step. In line with the principles of unified policies and decentralized decisionmaking, and having made full preparations, provinces, autonomous regions, and municipalities directly under the central government may choose an appropriate time to decontrol purchasing and selling prices for grain and edible oil, subject the prices to market regulation, and circulate these commodities through various channels. During the course of gradually bringing farm products under market regulation, the government will implement a protective policy on major farm products such as grain and cotton, including supporting prices [zhi chi xing jia ge 2388 2170 1840 0116 2706] for them, in order to support the steady development of agricultural production. The convention of linking grain and cotton purchases to the supply of the means of agricultural production will be changed to money. This will be done to pay a price to peasants in addition to the purchasing prices in order that they can truly benefit.

The “main points” state: Various localities may continue to build and improve basic-level markets for farm and sideline products and regional wholesale markets according to local needs and possibilities to form a multilevel market network. In areas where grain prices are decontrolled, the subsidies reduced by financial departments at various levels should not be used for other purposes, and they should continue to be used for agricultural purposes, such as setting up a grain risk fund. We should further improve the grain market

network and the multilevel grain reserve system, and we should bring the state’s role of macrocontrol over grain production into full play. In areas where grain prices still cannot be decontrolled, measures must be taken to separate grain enterprises’ operations of a policy character from their business. Proper methods should be adopted to reform the system of cotton circulation on an experimental basis. It is necessary to quickly reform the goods-ordering system and to improve and develop markets for means of production. Efforts should be made to establish markets for the means of production according to conditions in various economic regions and to improve the experiences in experimenting on wholesale markets and commodity exchanges, and we should popularize these experiences. To ensure the success of the experiment with futures exchanges, we should concentrate first on effectively running one or two such exchanges. At the same time, we should give more unified guidance on the futures market experiment and strengthen our control and supervision over it. In addition, we should quickly formulate relevant laws and regulations.

While vigorously developing commodity markets, we should energetically develop a market for essential components of production; stress the building of markets for finance, labor, technology, and property rights; and coordinate these efforts with the development of a unified and open market system.

The “main points” state: Vigorous efforts should be made to reform the foreign trade system. In accordance with the “regulations” and the promulgated or soon-to-be-promulgated criteria and examination and approval procedures for enterprises engaged in foreign trade, it is essential to give greater decisionmaking power to production enterprises, scientific research institutions, and other enterprises in foreign trade; to accelerate the change of operating mechanisms in foreign trade enterprises; and to encourage foreign enterprises to form into groups and operate internationally. It is necessary to continue to develop industrial and trade, commercial and trade, and other joint enterprises; to strengthen the association of producers with marketers; and to make concerted efforts to open the international market. To meet the requirements for returning to the GATT, we should reduce tariff rates for imports in a planned way. We should also reform the import and export management system, appropriately enlarge the scope of engaging in imports and exports [shi dang fang kai jin chu kou shang pin jing ying fan wei 6624 3981 2397 7030 6651 0427 0656 0794 0756 4842 3602 5400 0953], and considerably reduce the varieties of commodities under licensed management. We should improve the system of licensed quota management and the method for import and export quota assignment, introduce competition mechanisms, and experiment on public bidding and transfer [of property rights]. We should further strengthen the Chamber of Commerce in import and export and give full play to its coordinating role in foreign trade. We should improve market laws and

regulations, standardize exchange behavior in the market, and step up our efforts to research and formulate laws and regulations governing the operation of the market economy, such as a "law on improper competition," a "law on foreign trade," and an "antidumping law."

According to the "main points," it is necessary to reform the planning system and the investment structure, as well as to simplify the control of planned indexes in the production and commodity circulation fields. Some of the small number of retained important indexes are overall national indexes which should not be further divided among lower levels. Additional steps should be taken to reduce mandatory plans. Mandatory distribution plans for some important capital goods should be abolished and replaced with market force regulation if a rough balance between supply and demand of those capital goods has been achieved and their prices have been decontrolled. Nevertheless, the state reserves the right to make preference purchase orders for these goods. The amount of certain important capital goods subject to mandatory distribution plans should be reduced, even if their prices have not yet been completely decontrolled, because of the great imbalance between supply and demand. Also, a larger quantity of these goods should be allowed to sell at higher planned prices instead of government-set lower prices. At the same time, it is necessary to reform and replace mandatory plans gradually with state-guided production according to demand and state purchase orders. Local governments should be encouraged to invest in non-competitive basic industries and public utility facilities, and they should be given greater authority in approving investment projects. In the industries of a competitive nature, particularly the processing industry, the investment policymaking authority should be gradually turned over to enterprises in order that they truly become the main investors under the guidance of the state industrial policy. It is necessary to increase the fund-raising methods and channels for state investment. It is necessary to establish as soon as possible a standard, stable, and regenerative state investment fund system. Key state projects should be built with direct state investment or indirect state investment through share-holding, paying interest in the form of a deduction when selling a bill of exchange, joint-ventures, cooperation, and through the issuance of bonds and stocks to absorb some funds from enterprises and the public. In building large and medium-sized capital construction projects, we should mainly adopt the practice of inviting tenders and, in principle, implement an owner's responsibility system. We should gradually increase experiments in building some of the projects with joint-stock investments.

The "main points" demand: It is necessary to deepen the reform of the financial structure and take a great step forward in reforming the taxation system. Central financial departments projected a dual budget on a trial basis last year. We should further improve the dual budget and make rational readjustments of the regular budget and

the construction budget this year. Provincial financial departments should also try to project dual budgets. We should take additional steps to improve the trial implementation of the revenue-sharing system in select localities. During the course of changing government functions and reforming the taxation system, we should study how to divide responsibility among government departments at all levels and formulate revenue and expenditure plans according to their responsibility, and we should make preparations for establishing a standard revenue-sharing financial structure. We should further standardize the relations of distribution between the state and enterprises. In enterprises where the old business contracts have expired, we should actively promote a reform characterized by "payment of tax plus a percentage of profit to the state, and payment of tax before loan repayment or any retention of profit." At the same time, we should adhere to the "Regulations on Transforming the Operating Mechanisms of State-Owned Industrial Enterprises" and the unified income tax rates to reduce the after-tax burdens of enterprises, and we should formulate measures to improve their loan repayment mechanisms. We should take the opportunity to drastically readjust or decontrol capital goods prices to implement the value-added tax initially in the field of industrial production, and later, at opportune times, to implement the value-added tax in the wholesale and retail fields. We should unify the scope of value-added tax withholding and simplify tax rates, tax computation, and collection procedures. At the same time, we should carry out a corresponding reform of the scope of the product tax and its computation and collection procedures. We should establish a unified income tax system for wholly Chinese-owned enterprises. The income tax rate for wholly Chinese-owned enterprises of various categories should gradually be standardized to the basic rate of 33 percent. It is necessary to standardize the tax deduction items and expenses of enterprises and protect the taxable income from illegal deduction. The two funds collected during the course of the depreciation of enterprises should be phased out. After abolishing the practice of before-tax loan repayments, we should phase out the two funds collected from after-tax profits. We should establish a unified income tax system by combining the existing individual income tax, individual income regulatory tax, and income tax of urban and rural individual traders and craftsmen. We should enlarge the scope of individual income tax in a planned way according to the situation of economic development and residents' income increase, as well as international practice. We should enlarge the scope and increase the targets of resource taxes. We should conduct research on abolishing irrational taxes. We should step up the drafting of a "Budget Law," a "Certified Accountant Law," and an "Enterprise Income Tax Law" or "Enterprise Income Tax Regulations." We should revise the "Accountant Law," "Income Tax Law," and other financial laws and regulations as soon as possible.

The "main points" propose: The banking system should be further reformed. When improving its measures for

management of loan ceilings, the central bank should make better use of economic means such as interest rates, reserves, reissued loans, and making market business known to the public to increase the proportion of indirect regulation and improve macroeconomic control. Specialized banks should experiment on separately managing loans of a policy character and commercial loans, and institute appropriate management systems for them according to their separate accounts, the directions of their use, amounts, and interest rates; they should implement the "Provisional Regulations Governing the Bank Contract System of Managerial Responsibility," exercise their decisionmaking power in management, and change their operating mechanisms. Efforts should be made to research the possibility of establishing a state long-term investment bank, which should be engaged mainly in the business of providing investment loans of a policy character. The proportion of the bank risk fund should appropriately increase. While changing the operating mechanisms of enterprises and clearing the accounts of a small number of bankrupt enterprises, we should improve the regular system of writing off bad debts and the quality of banks' assets. In developing and standardizing bank business, we should further decontrol stock exchanges, introduce the market mechanism into the issue of state bonds, and develop a new variety of bonds, such as securities for investment funds, trust securities, and foreign-exchange securities for domestic customers. We should further invigorate the grade-two securities market, create conditions for unit-holding state bonds to enter the market, and promote interregional securities trade. We should increase in a planned way the number of companies with listed shares. We should improve management laws and measures in order to bring about a sound development in the issuing of securities and of the stock exchange. It is necessary to vigorously develop loan business [chai jie 2135 0234] between companies engaged in foreign exchange, to do business in long-term foreign exchange on a trial basis, expand the scope of foreign exchange market regulation, and gradually develop a unified national foreign exchange market. We should step up the efforts to draft the "Provisional Regulations on the Issue and Trade of Shares," the "Measures for Examination of the Qualifications for the Issue of Shares," the "Measures for the Management of Establishments Dealing in Securities," the "Law on Securities," the "Bank Law," the "Insurance Law," and other relevant laws and regulations.

The "main points" state: We should further reform the labor system, vigorously develop the labor service market, and improve the system of employment service. We should give full play to the role of the market mechanisms in the rational distribution of the labor force, gradually set up a competition mechanism for employment, and allow enterprises to recruit workers and individuals to choose their own jobs. The scope of experimenting on the overall labor contract system [quan yuan lao dong he tong zi 0356 0765 0526 0520 0678 0681 0455] should be expanded. Economic means should be used more often to readjust the employment

structure. We should vigorously develop tertiary industry in order to provide more job opportunities for job seekers and for enterprises' redundant personnel. We should strengthen control over the total amount of wages and the self-regulating mechanisms for enterprises. We should improve the measures for linking work to efficiency and rationally determine the efficiency target and its floating range. While opening income channels and standardizing personnel spending, we should expand the scope of linking basic wages to efficiency and really implement the principle of increasing or decreasing the amount of wages with better or poorer efficiency. Enterprises should exercise their authority in the distribution of income within themselves and implement the system or form of income distribution mainly based on personal skills. We should establish the minimum wage system step by step. We should further expand the scope of the old-age pension system, speed up overall planning at the provincial level for old-age pension funds, and actively reform the measures for calculating and issuing old-age pensions. We should continue to implement the measures for workers and staff members to pay for their pension funds and improve socialized management service in this regard. It is essential to strictly manage, audit, and supervise the old-age pension funds. We should improve state-owned enterprises' jobless insurance measures for workers and staff members, expand the scope of jobless insurance, and improve the measures for calculating and issuing jobless insurance claims. The management and supervision of jobless insurance funds should be strengthened. It is necessary to establish step by step a unified jobless insurance system for workers and staff members of state-owned, collective, and privately owned enterprises, including Chinese workers and staff members working in foreign-funded enterprises. Efforts should be made to set up a jobless insurance service network and to reform the system of insurance for workers injured at work. In areas where conditions permit, it is essential to establish a social medical insurance system whose funds should be raised from the state, the employing unit, and the individual. We should promote such a system in order to have more and more people covered by it. We should expand the scope of experimenting on society raising funds for treating serious diseases suffered by enterprise workers; we should further improve the measures for individual patients to pay some of their medical expenses; we should gradually popularize the measures for joint management of medical funds by hospitals and insurance institutions. While carrying out organizational reform, we should establish a unified social security management system. A good job should be done in experimental areas for reform and opening, in experimental special economic zones, and in experimenting with a unified social security management system established by some provinces and cities.

We should step up our efforts to draft or formulate laws and regulations, such as a "Labor Law," a "Labor

Protection Law," "Regulations on the Minimum Wage," and "Regulations on Old-Age Pensions in Cities and Towns."

The "main points" say: It is necessary to seriously implement the guidelines of relevant State Council documents and reform the housing system by actively promoting coordinated practices in terms of leasing, sales, and construction. Efforts should be focused on reforming the low-rent system, properly enlarging the margin of rent increases, and persistently ensuring new rent for new houses. Before a public-owned house is sold, its price must be appraised by a real estate appraisal agency. We should enforce the important government policy that if an individual buys a public-owned house at a standard price, he or she will have part of the ownership of the house. We should stop any housing sales in violation of market rules or sales at giveaway prices. We should gradually establish a housing fund management system that is adapted to the new structure, and we should constantly consolidate and improve the public reserve fund system, standardize the housing fund management, and universally establish a mortgage loan system for house buyers. Enterprises with the necessary conditions should be encouraged to deepen their housing reform and conduct experiments in forming joint-stock housing companies and other relevant measures. We should further deepen the reform of the land use system and establish and improve a system for the sale and transfer of land use rights which conform to a socialist market economy. We should strictly enforce the rules and regulations governing the examination and approval of applications for land use rights. We should soon adopt the practice that land to be used for profit purposes will be sold to the user. At the same time, we should sell land to users at preferential prices if the land is to be used by certain industries of which the development is encouraged under the government industrial policy. Land to be used for purposes other than earning profits should be managed according to the administrative land allocation policy. We should continue to monitor the land market. We should gradually begin the practice of compensation for the use of rural housing land. It is necessary to promote the reform of the land use system for village and township enterprises. We should do a good job in inventorying and appraising land property during experiments in changing the operating mechanisms of state-owned enterprises and in implementing the joint-stock system. We should strengthen macroeconomic control over the land market. Land for construction projects should be planned, requisitioned, developed, transferred, and managed in a unified way by the government. We should establish a standard land market and prevent overheated land deals. We should improve the management of assets and the management of resource development, strictly prohibit unauthorized use or abuse of cultivated land and forest land, and prevent waste of land and forestry resources. We should improve relevant laws and regulations and strengthen the supervision and inspection of

law enforcement. We should draft an "immovable property law," a "real estate trade law," and other relevant laws and regulations.

The "main points" say: In developing a rural socialized service system, we should bring into play the initiative of the state, collectives, and individuals. We should give play to the internal service function of rural collective economic organization. At the same time, we should encourage the establishment of service-related economic entities run by peasants individually, collectively, or cooperatively. During the course of changing the functions of county and township governments and the organizational reform, we should urge the country's agricultural, economic, and technical departments to provide services to agriculture. The people's governments at all levels should support the establishment of the rural socialized service system with funds, materials, and tax breaks. We should take additional steps to implement existing agricultural laws and regulations, continue to screen various unreasonable burdens on peasants, and strictly ban irrational apportionments of expenses and work that violate government regulations. We should step up the drafting of a "Law for Popularizing Agricultural Techniques," an "Agricultural Basic Law," and an "Agricultural Investment Law." We should keep to the orientation of turning supply and marketing cooperatives into peasants' cooperative commercial organizations, further rationalize the organizational structure of supply and marketing cooperatives, and enhance their nongovernmental nature. The county-level comprehensive reform should stress the reform of the overall county-level economic management structure, as well as emphasize the comprehensively implementation of related supporting reforms. All localities should actively expand the area of pilot projects and encourage and support the initiative taken by various counties in flexibly choosing their own reform plans and practices.

The "main points" say: New and high-technology development zones should deepen the restructuring of their management. To explore new management modes, new and high-technology industrial development zones of the state in Beijing, Chengdu, and other cities should conduct experiments on joint-stock operations. Rational flows of proficient personnel within the scientific and technological communities should be promoted, and capable scientific and technological units, as well as research centers at universities and colleges, should explore the feasibility of managing themselves like enterprises. A number of research institutes should be chosen to experiment with readjusting the organizational systems of new and high-technology enterprises and enterprise groups. Pilot projects to establish science and technology foundations and risk investment companies [feng xian tou zi gong si 7364 7145 2121 6327 0361 0674] should be conducted in Shenzhen and other cities.

The "main points" state: Special economic zones, Guangdong, Fujian, and southern Jiangsu, as well as

some cities designated to experiment with comprehensive reform, should earnestly sum up their experiences, deepen their experiments with comprehensive reform in urban and rural areas, explore with daring, and take the initiative in establishing a new system according to requirements set for building a socialist market economic system. In accordance with the objectives and assignments set for building a socialist market economic system, several cities should be designated to draw up comprehensive experimental plans that give priority to restructuring their market systems, systems of government organizations, and the social security system, with priority given to restructuring enterprise systems. Efforts should be made to study specific policies meant for expediting reform and opening up in inland areas, remote border areas, and autonomous regions of national minorities. Different types of units with different characteristics for experimenting with reform and opening up projects should be established in these regions to explore ways and means of promoting reform in inland areas and minority areas.

The "main points" urge: There should be better planning and coordination of reform programs and stronger leadership over these programs. While intensifying their efforts in drawing up and carrying out the main points of reform this year, all regions and departments should study and draw up their plans for establishing a socialist market economic system in accordance with the objectives, requirements, and general restructuring guidelines laid down by the 14th national party congress, as well as in accordance with the actual situations in their respective regions and departments. All regions and departments must carry out parallel reform programs and intensify overall coordination in order that none goes its own way. All relevant departments must make every effort to cooperate with one another and support one another.

Zhu Rongji Urges Making Reform Breakthrough

HK2503142393 Hong Kong CHING CHI TAO PAO in Chinese No 11, 22 Mar 93 p 37

[From "China Economic News" Column: "Zhu Rongji Calls for Breakthrough in This Year's Structural Reform"]

[Text] Vice Premier Zhu Rongji was quoted as saying that China did not make many breakthroughs in economic restructuring in 1992 compared with its economic growth. Especially, he added, many localities did not pay enough attention to reform.

Zhu Rongji said: If we continue to follow the beaten path in promoting economic development, launching construction projects, improving the investment environment, and increasing the supply of funds rather than reforming the old system, the present growth rate will not last, and we will not be able to break away from the unsound cycle of economic activities we have followed for the last several decades, which saw our economy

grow rapidly in a very short time and plunge down very quickly several years later. Zhu Rongji hoped that all localities will continue to place an effective grip on economic restructuring this year to make a real breakthrough after having made progress in this respect last year.

He said: It is difficult to avoid negative effects in carrying out reforms. While carrying out and pushing forward a reform, we must pay full attention to its negative effects and take various measures to offset or reduce them to see to it there will be more advantages than disadvantages, thus advancing economic restructuring.

Small Commodities Markets Aid Industry, Jobs

OW2603104793 Beijing XINHUA in English 0830 GMT 26 Mar 93

[Text] Tianjin, March 26 (XINHUA)—People were unfamiliar at mention of small commodities markets as Yiwu and the Shishi garment market a decade ago, but things are totally different today.

The brisk small commodities markets have made the locations of the markets nationally known.

According to statistics, China has 76,000 goods free markets with an annual trade volume of 35.3 billion yuan. The number accounts for 25.2 percent of total retail sales value in social commodities.

Differing from Zhejiang's Yiwu and Fujian's Shishi markets which sprang up from local demand, most of the newly established free markets have been developed by local government with the aim of letting people get rich.

After the establishment of the Yiwu and Shishi markets, the Wujiang Dongfang silk market and Weitang pearl markets were built up in east China, and the Baigou and Lixian fur markets were founded in Hebei Province. Even north China's Inner Mongolia Autonomous Region has established the Qingcheng market in Hohhot and Jinchuan market in Linhe City which have a 100 million yuan annual turnover.

With the support of local governments, the second hand articles markets established several years ago have expanded business.

Since the Yiwu market was established in Zhejiang Province in 1984, the local government has put up 49.76 million yuan to build 18 markets and renovate a further 43. The markets have also established a computerized information center connection to the nation's other large trade markets.

The establishment of daily necessities markets has encouraged the development of industries and provided more job opportunities in China's rural areas.

The booming of Changshu garment market provides jobs for 100,000 people. They are engaged in the weaving, sewing and sale of the garments.

Baigou in Hebei Province was a poor area. Its free market boom had attracted 800 million yuan in investment from domestic and overseas companies by the end of February this year.

Capital Goods Markets Continue To Develop

OW2603044393 Beijing XINHUA in English 0406
GMT 26 Mar 93

[Text] Tianjin, March 26 (XINHUA)—China is heading its way to a socialist market economy by greatly expanding its capital goods markets.

By the end of 1992, China has established more than 1,000 capital goods wholesale markets. The business of the markets cover grain, rolled steel, timber, nonferrous metals, coal and other important capital goods.

Previously capital goods were strictly controlled according to central plans and supply and demand could not be balanced.

With the state's loosening of control over capital goods and the development of the socialist market economy, a number of capital goods markets came into being.

In the past years grain and pig production was often disjointed because of a lack of market regulation.

In 1990 and 1991, the Ministry of Commerce built up national grain and meat wholesale markets in Zhengzhou and Chengdu.

By the end of 1992, about 1.4 million tons of grain and edible oil were handled at the Zhengzhou grain market, with more than 1.2 billion yuan in trade volume. More than 20 provinces have conducted trade at the Zhengzhou market.

The establishment of the Chengdu meat wholesale market also solved farmer's problems in pig selling. By the end of February this year, 898,300 tons of meat worth 4.2 billion yuan were traded.

The prices of the products sold in the large capital goods markets also act as a guide for trade in the smaller markets.

At present, Zhengzhou prices have set standards for the nation's grain trade. Many areas arranged their production plans after referring to Zhengzhou prices.

The issuing of forward contract prices for the Zhengzhou grain market since this month has given the market the added function of predicting future prices.

Beijing To Adopt Uniform Enterprise Tax System

OW2503224093 Beijing XINHUA in English 1404
GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—China will uniform tax rates for enterprises of different ownership types this year, but those involving foreign investment will continue to enjoy preferential treatment, according to the nation's top taxation official.

Jin Xin, director of the State Administration of Taxation, made the remark in an interview with XINHUA here today.

He was responding to calls for a uniform tax rate for all enterprises, a demand reinforced by deputies to the National People's Congress (NPC), who are from business circles.

He revealed that the state will equalize income tax rates for state-owned, collective and private enterprises within the year.

"The uniform tax rate will be 33 percent," said Jin, who is also an NPC deputy.

This is to ensure fair competition for all enterprises in a socialist market economy, he said.

However, as China will continue to absorb foreign investment, preferential policies will remain for enterprises involving foreign capital, he said.

China's tax rate will be similar to that in Southeast Asian nations, including Thailand and Malaysia, he said.

While the income tax rate for foreign-funded enterprises will be the same as that for enterprises of other kinds, the former will continue to enjoy preferential treatment in taxation, with the right of such treatment depending primarily on their location and the nature of industries they are involved in. Tax breaks will be enjoyed by foreign-funded manufacturing enterprises, technologically-advanced ones or foreign exchange earners.

This year, he said, the state expects to collect 370 billion yuan in taxes and state-authorized funds.

Points To Consider in Running Economic Entities

HK2503141393 Hong Kong CHING CHI TAO PAO in Chinese No 11, 22 Mar 93 p 36

[From "China Economic News" column: "A Demarcation Line Is To Be Drawn for State Organs To Run Entities"]

[Text] It is learned that after conducting investigations into economic entities run by party and government departments, the State Council Research Office industry and transportation subgroup made a number of proposals setting out points for attention in running economic entities. The main contents of the proposals are as follows:

1. No economic entities invested in by party and government departments and managed by cadres are allowed. Such economic entities are aimed purely at making money. They cannot be separated from party and government departments in financial and personnel matters and have nothing to do with administrative restructuring.

2. Party and government departments should be strictly forbidden to invest in enterprises by buying into their stocks, because this is purely a style of government monopoly of commerce.

3. The cadres sent by party and government departments to offer guidance by supplying information and to provide consultative and technical services should work as full-time cadres. The offices providing services should become special ones and no cadres are allowed to work concurrently for party and government departments and for the special offices.

4. With the change in government functions and as required by streamlining the administrative structure, certain offices or certain functional departments under offices will be changed into economic entities. Efforts should be made to facilitate the change, but the government departments-turned economic entities should be deprived of their administrative powers.

5. As we have not really carried out administrative restructuring and have not formulated specific and unified policies for this purpose, there should be a transitional period during which the names of the aforesaid government departments-turned economic entities, which were run to explore the path for administrative restructuring, and the status and payment of cadres involved should remain unchanged so as to reduce the impact brought about by administrative restructuring.

Li Lanqing on Training More Economic Personnel

OW2503140493 Beijing XINHUA Domestic Service in Chinese 1250 GMT 24 Mar 93

[By reporter Yin Hongzhu (1438 7703 4376) and apprentice Suo Yan (4792 4282)]

[Text] Beijing, 24 Mar (XINHUA)—During his speech at the University of International Business and Economics yesterday, Li Lanqing, member of the CPC Central Committee Political Bureau and minister of foreign economic relations and trade, said: More qualified personnel are needed to expand economic and trade undertakings. The school should continuously deepen educational reform, improve educational levels, and cultivate more advanced economic and trade personnel for the state by gearing itself towards the modernization drive, the world, and the future.

The University of International Business and Economics is a key national university directly under the Ministry of Foreign Economic Relations and Trade. It is also China's only multidisciplinary university specializing in

foreign economic relations and trade. Founded nearly 40 years ago, the university has turned out nearly 20,000 graduates majoring in foreign languages, foreign economic relations and trade, and other related fields. In the past, the university has made great contributions to China's economic and trade undertakings in that it has achieved a batch of scientific and research results with fairly high academic significance. It also has established academic exchanges with more than 30 universities, colleges, and scientific and research organizations in more than 20 countries and regions.

At yesterday's enlarged meeting of the university's board of trustees, Li Lanqing, on behalf of the party organ of the university, put forward the following opinion: Run the school better by accelerating the pace of educational reform and by enhancing teaching quality. He also fully confirmed the achievements made by the university over the past years, especially its educational reform work done in recent years. Li Lanqing said: As the new situation develops, higher education for economic and trade personnel should further deepen its reform and establish a specialized educational system able to meet the needs of socialist market economy. Only in this way can it serve the reform, opening up, and the development of economic and trade undertakings. Whether we are able to enjoy a great development in economic and trade undertakings depends on whether we have a large contingent of qualified personnel, and advanced-level personnel in particular. At present, China has more than 120 colleges and universities offering courses for undergraduate students who are majoring in foreign economic relations and trade. The graduates of these schools are, to some extent, meeting the need of economic and trade undertakings. However, as a renowned university in China, the University of International Business and Economics should focus on cultivating specialized personnel of advanced level who excel both in theory and practice and who are not only equipped with ample knowledge about foreign economic relations and trade but know general professional skills. Tempered themselves by practical work, these personnel stand a good chance of becoming the ones who have an ability in macroeconomic strategy, organization, and leading skills. He said: Judging from the present development in economic and trade undertakings, personnel with undergraduate standing are unable to fully meet the needs. Therefore, the University of International Business and Economics should gradually enroll more students of master and doctoral programs, and those of the master of business administration program in particular. Students who want to enter the master or doctoral program could be those who major in economics, foreign trade, engineering, science, literature, or law. Any who are qualified can apply for the entrance examinations.

Talking about the curriculum and teaching content, Li Lanqing said: The current curriculum and teaching content are not in step with the development of the situation. Therefore, it is imperative to shatter the outdated model and engage in a major reform in the aspects of

teaching content, curriculum, and setting up courses. Only in this way are we able to adapt ourselves to the general principle of the operation of the socialist market and international economic relations and trade. Only in this way are we able to develop our foreign trade and open our door wider to the outside world. In setting up courses we should take into consideration our current and long-term needs and absorb successful foreign experiences in cultivating economic and trade personnel. We should conduct educational reform in light of the current situation in China and work hard to run schools with our own characteristics.

Li Lanqing also expressed his opinions about strengthening moral education, building a high-level contingent of teachers and the educational system. He also briefed the faculty of the university on China's achievements in foreign economic relations and trade in recent years.

Land Director Announces Curbs on Speculation

HK2603003293 Hong Kong ZHONGGUO TONGXUN
SHE in English 1307 GMT 25 Mar 93

[Text] Beijing, March 25 (CNS)—The Chinese Government will apply an added value charge proportionate to land transfers in response to speculation in the land market with the aim of guaranteeing a proportionate recovery of gain by the government in cases where people are driving up prices for greater profits, the Director of the State Land Administration, Mr. Wang Xianjin, said today in an interview with this agency.

With China's economic development, the real estate market, according to Mr. Wang, is becoming increasingly brisk, justifying action being taken by the government to counteract speculation in land sales and the illegal flow of vast sums of money from the real estate sector.

Four measures are to be taken to deal with this matter. First, the government will strictly carry out the registration of property rights and the transfer of land rights will have to be registered in order to be checked in the light of the law.

Second, an added value charge for land will be imposed proportionate to the amount of the added value of the land. Speculation and the driving up of prices for land will be strictly prohibited.

Third, preferential purchasing rights will be implemented, especially at times when prices for land transfer are low, with the aim of preventing offerers from hiding the real price in order to evade taxation.

Fourth, supervision and inspection regarding land transfers will be conducted in the light of the law in order to spot illegal practices and to act against them.

Foreign Investment in Road Construction Sought

HK2503110793 Hong Kong ZHONGGUO TONGXUN
SHE in English 0956 GMT 25 Mar 93

[Text] Beijing, March 25 (CNS)—China would like to see joint Sino-foreign or solely foreign-funded construction of highways, bridges and tunnels. Concrete measures are now being formulated for such joint-venture undertakings as well as for the introduction of foreign capital in order to speed up construction of infrastructural transportation facilities.

The main problem for road construction in China is the serious shortage of funds, the former Vice Minister of Communications, Mr. Wang Zhanyi, said today in an interview with this agency.

Transportation problems have proved a bottle-neck constraining economic development in the Mainland and a vast programme of highway construction for the rest of this decade will require a heavy input of capital.

International financial groups are invited to invest in China's building of expressways, roads, and very large bridges, Mr. Wang said. He added that China wished to receive loans from the World Bank and the Asian Development Bank for such purposes. Other consortia would also be welcome to be involved in the building of expressways and bridges in coastal areas either in the form of investment or in becoming shareholders in these projects.

Since the mid-1980s, overseas investment has been allowed in China's road construction projects. Last year saw the greatest amount of foreign capital and loans being made with the total amount of loans exceeding US\$ 1 billion. The value of contracts signed for Sino-foreign joint-ventures was put at more than RMB 1 billion.

China will exploit Sino-foreign-funded highway construction in future, basing it on the needs of transport and under conditions which are advantageous to the introduction of capital, advanced technology and equipment as well as scientific management, Mr. Wang said.

Road construction by Sino-foreign joint-ventures is subject to prior approval by the Ministry of Communications.

Individuals Donate Funds to 3 Gorges Project

OW2603012793 Beijing XINHUA in English 0112
GMT 26 Mar 93

[Text] Chongqing, March 26 (XINHUA)—More than 2,000 people from all over China have donated a total of some 500,000 yuan for the planned Three Gorges project.

Sources at the Beijing office of the China Three Gorges Project development corporation revealed that the donations came from Hubei, Sichuan and Henan Provinces, and Shanghai and Beijing cities. The famous scenic

Three Gorges, where the planned project will be constructed, are located on the Yangtze River in Sichuan and Hubei Provinces. The water control project has been a dream for the Chinese nation for centuries.

The donors included workers, farmers, students, teachers, self-employed businessmen and religious people.

Wang Yongyun from the Chinese Academy of Social Sciences in Beijing, who made a contribution of 100 yuan in 1990, was the first donor.

Peng Fuquan from Changsha, capital of central China's Hunan Province, has donated the biggest amount of money so far—10,000 yuan.

Over half of the donors were students. Wang Yu, a pupil at the experimental school in Zigui County, Hubei Province, near the gorges, said in a letter that a publicity campaign on the project has been waged at his school. He himself sent 10 yuan, while the staff of the school contributed 20,000 yuan.

"I am nearly 70 years old and may not see the completion of the project," wrote a retired government employee from northeast China's Jilin Province. "I am sure that I will not benefit from the project personally. But I feel it is my duty to make a contribution."

East Coal Resources on 'Verge of Exhaustion'

HK2403133793 Beijing ZHONGGUO XINWEN SHE in Chinese 0537 GMT 23 Mar 93

[By reporter Chen Liyu (7115 4539 1342)]

[Text] Beijing, 23 Mar (ZHONGGUO XINWEN SHE)—Han Ying, member of the Chinese People's Political Consultative Conference National Committee and vice president of the China National Coal Mine Corporation, warned: If the present pace and volume of extraction continues, most of the coal mines in east China will shrink by 2000 because coal resources there will be on the verge of exhaustion.

Han Ying pointed out in an interview with this reporter: East China's energy burden accounts for 60 percent of that of the whole country, but coal reserves there account for no more than 10 percent. Since east China is at the stage of rapid economic development at present, there is a huge demand for coal, while due to such factors as inadequate transport capacity and cost, west China, where coal resources account for 90 percent of the country's reserves, fails to provide the eastern part with a full supply to meet the latter's demand. As a result, East China has to increase the volume of extraction.

Han Ying said that according to his personal opinion, the state should consider this problem as soon as possible, that is, following the exhaustion of coal resources in east China, how to ensure that rich coal resources in west China can be provided to the eastern part?

He said that to solve this problem, it is necessary to invest more in railways. In addition, we should vigorously support areas in west China, such as Shanxi Province which has one-third of coal reserves of the whole country, implement a development strategy which lays equal stress on coal and power supply, and concentrate on constructing a number of power stations at large pits.

Han Ying said: At present, the coal industry still has many problems, resources are not being exploited in a reasonable manner, large state pits are being challenged by small coal pits, and the situation of indiscriminate extraction and excavation is quite serious. Due to poor technological conditions, the recovery rate of small coal pits is only 10 percent, thus causing great waste. However, he admitted that under the present circumstances, the demand is very great, especially in areas in east China, small coal pits are playing a quite important role in easing up the supply, so it is very difficult to solve the problem.

Han Ying said: The present condition of the coal industry is that the whole industry is running in deficit. Hence, the capability of broadening reproduction is quite limited, and it is necessary to reduce a large number of staff, but it is not easy to transfer personnel to other sectors.

Article on Peasants, Socialist Market Economy

HK2603103793 Beijing RENMIN RIBAO in Chinese 15 Mar 93 p 5

[From the "Corner for Discussing Socialist Market Economy" column by Chen Jiyan (7115 0679 0337), director of the Institute of Rural Development of the Chinese Academy of Social Sciences: "Pave the Way for Peasants To Enter the Market"]

[Text] Nowadays, people are often saying "push the peasants into the market." If this means to gradually complete the transition from the traditional economic structure to the structure of a market economy for hundreds of millions of peasants with the help of some external forces, it is understandable. But if it is interpreted as the state may refuse to do anything more for the peasants once the market economy is introduced to them and have all kinds of problems facing agricultural development resolved spontaneously by the peasants themselves in accordance with the laws of the market economy, it will only be a kind of good wish that is divorced from reality.

Chinese peasants have been living for a long time under conditions of a natural economy and then a planned economy. They lack any sense of commodity, and do not know how to obtain market information and engage in the management and operation of commodity production. Although some peasants have begun to enter the market since reform and opening up, many of them have not yet mastered the skills of the market economy. At the same time, risks are inevitable companions in market

activities. In the current stage, Chinese peasants, with every household as a basic unit in agricultural production and operation, are still very weak in their relative strength. But they are faced with a big market both at home and abroad. Once there are risks in the market, they are usually unable to overcome them and become helpless. This is the main economic reason for the difficulties in the selling and buying of agricultural products, which have appeared alternately in the development of commodity economy in China's rural areas over the past few years. It is also an expression of the contradictions between small production and a big market. The objective reality of development of a commodity economy in China's rural areas is strongly demanding the state to shoulder the heavy task of cultivating the rural market, help the peasants advance toward the market, and pave the way for them to enter the market.

To fulfill this historical mission, it is necessary to make efforts to solve the following problems in the current stage:

Learn while practicing, and increase the ability of developing the market economy in rural areas. It is necessary to guide peasants to advance toward the market. The comrades engaging in rural work must, first of all, study again and change their concepts. We are familiar with the old practice of pressing the peasants to plant or get in crops by administrative means under the structure of the planned economy. But the question of how to establish a socialist market economic structure in the rural areas is a new thing beyond the experience we have obtained over the past years. Thus, it is necessary for us to conscientiously sum up the new experiences of China's reform and opening up over the past 10 and more years and to study and take as our reference the successful experiences of foreign countries in development of a market economy, so that the long-standing traditional concepts formed under the planned economic structure and in the environment of the product economy can be changed as soon as possible through the practice of developing the market economy in rural areas. While realizing a change in their own concepts, cadres engaging in rural work must also help the peasants gradually to change their concept of the product economy into a new concept of commodity economy and change their production and operation from an activity mainly relying on the state's arrangements to an activity mainly decided by the relations between market supply and demand. Practice shows that it is by no means easy to realize this change.

Demolish barriers and go all out to help the peasants remove obstacles on their road toward the market. For a long time in the past, the main factors obstructing the peasants from advancing toward the market were: 1) There were barriers everywhere between various regions and markets, and there was no unified market. 2) Certain regulations under the existing economic structure are still binding the peasants hand and foot and the peasants still have not the decision-making power in production

and operation which commodity producers should have. Therefore, eliminating the two obstacles means two major and pressing tasks for the state in guiding the peasants to advance toward market. At present, there is already a good beginning in smashing the economic barriers between various regions. But there are still a great deal of arduous work to do in order to establish a unified big market of the state. Moreover, as certain fluctuations in agricultural production will be unavoidable, it is necessary to take precautions and be on guard against the possible restoration of the old structure once there is a shortage of agricultural products.

It is necessary to create conditions for the circulation of various major productive elements and gradually establish a rural market of major productive elements. A major difference between the market economy and the commodity economy is that the former demands not only the free circulation of commodities but also the free circulation of major productive elements so that optimization of the major productive elements can be realized on the basis of the market mechanism of major productive elements. To establish rural major productive elements markets, it is first necessary to study the question of how to realize the free transfer of the land use right through deepening reforms. Second, it is necessary to continue to implement the policy on transferring surplus rural labor. Third, it is necessary to carry out reform of the financial structure, establish a rural financial market, and ensure the free circulation of funds within the sphere of rural areas.

Strengthen the state's macroeconomic regulation and control ability, guide, protect, and provide coordinative measures for the peasants to advance toward the market. Under the new situation of developing the market economy in rural areas, the state should not show no concerns for agricultural production. Instead, it should strengthen its ability to carry out macroeconomic regulation and control and shoulder the heavy task of guiding, protecting, and providing coordinative measures for agricultural production in the market economy. During last winter and this spring, there has been an increasing trend of peasants getting away from the farmland and returning the land to the state in some regions. Apart from a small number of peasants who have been normally engaging in industrial and commercial businesses and no longer need the land, most of the peasants getting away from the farmland or returning the land were doing so to show their resistance, as they were unable to protect their own interests. This reflects the negative feeling of the peasants who are reluctant to engage in agricultural production, especially grain production. To appropriately solve these problems and to ensure the production of grain, cotton, oil-bearing crops, and other major agricultural products under the conditions of the market economy, the State Council recently worked out a series of important decisions to ensure the peasants' interests, including a decision on signing of purchase and marketing contracts between grain production and grain marketing areas for a direct order to guide

the peasants to rationally readjust their product mix and harmonize relations between production and marketing; a decision on establishing a system for protecting grain purchase prices so that a sustained and steady development of grain production can be ensured; a decision on improving the methods of linking grain and cotton production with chemical fertilizer and diesel oil supply and on additional prices for the additional purchase of grain and cotton not included in contract; a decision on strengthening management of the prices of capital goods for agricultural production and setting limits on the prices of extra-budgetary chemical fertilizer, pesticide, plastic sheets, and diesel oil for agricultural use; a decision on increasing investment in agricultural production and vigorously supporting the main grain production areas to develop their economy; and a decision on properly reducing the tax rates for some special agricultural and forestry products to promote the development of high-yield, fine-quality, and high-efficiency agriculture. These measures adopted by the State Council fully shows that profound changes are taking place in the method of leading agricultural work. The old method of mainly relying on administrative means under the planned economic structure is being changed into a method of mainly relying on economic means and the peasants' concerns for their materials benefits to achieve the general objective of China's agricultural development.

Wen Jiabao Inspects Hebei Spring Plowing

*SK2503014893 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 23 Mar 93*

[Text] Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, who arrived in Hebei Province a few days ago to inspect the spring plowing situation, stressed the need to strengthen agriculture's position as the foundation of the economy by firmly

implementing the policies and measures for strengthening agriculture adopted by the CPC Central Committee and the State Council with a view to further boosting agriculture production.

From 21 to 23 March, Comrade Wen Jiabao travelled with Vice Governor Zhang Runshen to Bazhou city, Xiongxian County, and Xincheng County to inspect the spring plowing situation. Wherever he went, he sought out peasant households and fields to converse directly with rural cadres and peasants, and held talks with county, township, and village cadres on many occasions to learn about the current situation in spring plowing and to discuss how to succeed in this aspect.

Wen Jiabao also pointed out: The whole year's work depends on a good start in spring. The task of top priority now in strengthening agriculture is to depend on strong and effective policies and measures to fully mobilize the initiative of the broad masses of peasants and to firmly and unfailingly grasp spring plowing and production in order to lay a good foundation for reaping a bumper harvest in agriculture this year.

Wen Jiabao added: The central authorities are presently paying great attention to agriculture. Since the beginning of this year, they have adopted a series of policies and measures for promoting agricultural production and protecting the interests of peasants. All localities should firmly implement these policies and measures to the letter, and extensively publicize them in order to ensure that they will be implemented to all villages and peasant households. At present, we should put the work of reducing peasants' burden in an important position. All central and local departments should take the lead in resolutely abolishing those funds, financial levies and charges that go beyond the scope stipulated by the state. The general offices of the CPC Central Committee and the State Council issued a circular a few days ago to call on all departments at all levels to strictly observe the regulation of reducing peasants' burden.

Wen Jiabao also expressed his own opinions on how to achieve success in spring plowing and production at present. He demanded that cadres at all levels conscientiously improve their work style and actually strengthen leadership over agricultural production.

East Region

Fujian Authorities Meet on Peasants' 'Burdens'

HK2603111593 Fuzhou Fujian People's Radio Network
in Mandarin 1100 GMT 24 Mar 93

[Text] This morning, the provincial party committee and government convened a forum to conscientiously discuss the implementation of the guidelines of the emergency circular issued by the General Offices of the CPC Central Committee and the State Council on lightening the burdens of peasants in genuine earnest. Provincial leading cadres, including Lin Kaiqin and Chen Mingyi, as well as persons in charge of the departments concerned attended the meeting.

The meeting participants maintained that, some time ago, some localities and departments in our province paid serious attention to the issue of conscientiously reducing the peasants' burdens, but a considerable number of localities failed to sufficiently heed the work of lightening the peasants' burdens. Some of them even turned a deaf ear to the repeated injunctions of the central and provincial authorities, indulged in the practice of seeking countermeasures to cope with the policies of the higher authorities, and continued to change tactics to introduce some illegal fund-raising and apportioning items to actually increase the peasants' burdens.

In this regard, the meeting participants pointed out: Party committees and governments at all levels should fully understand the importance of lightening the peasants' burdens from the high plane of maintaining the country's prolonged peace, order, and social stability; of solidifying and developing the achievements in rural reform; and of attaining economic development. They must take it as an urgent political task and place it on the agenda in a position of great importance. Leading cadres at all levels should personally go deep into areas where there are relatively more problems in order to conduct investigation and study, listen to the opinions of the masses at the grass-roots level and, in light of the problems that exist, take vigorous measures to resolve them in genuine earnest. We should continue to conscientiously sort out the documents and items that involve the burdens of peasants, and should resolutely put the guidelines of the emergency circular into effect in various localities. The implementation of all documentary stipulations concerning various kinds of apportioning and fund-raising activities which involve charges to be borne by peasants, charges levied on activities to achieve targets, charges of an administrative and undertaking character, and various kinds of funds set up in rural areas, should without exception be suspended first and checked up on afterward. We should strengthen the supervisory and administrative organs that deal with peasants' burdens, conduct an overall review of law enforcement, seriously act upon the units and individuals that arbitrarily increase the peasants' burdens, and return to the peasants the money and articles illegally levied on them.

Shandong's Qingdao City Elects New Leaders

SK2503141993 Jinan DAZHONG RIBAO in Chinese
9 Mar 93 p 1

[Text] The first session of the 11th Qingdao City People's Congress was held from 3 to 8 March.

At the session, Sun Bingyue was elected chairman of the Standing Committee of the 11th Qingdao City People's Congress; and Xu Guoxuan [1776 0948 6513], Liu Pengxian [0491 7720 6343], Ma Xutao [7456 4872 3447], Zhang Chengtang [1728 2052 1016], Wang Zengyi [3769 1073 4135], Zhang Zhengbin [1728 2973 2430], Yu Hongzhao [0060 3163 3564], Liu Xiuying [0491 4423 5391], and Wang Jibin [3769 0679 6333] were elected as vice chairmen.

Yu Zhengsheng was elected as mayor of the Qingdao city people's government, and Qin Jiahao, Zou Lijian [6760 4539 0256], Zhang Xianping [1728 0341 1627], Wang Zengrong, Li Naisheng [2621 0035 0524], Min Xiangchao [7036 4382 6389], Zhou Diyi [0719 6611 7328], and Zhou Jiabin [0719 0857 6333] as vice mayors.

'Growing Number' of Foreigners Work in Shandong

OW2503014793 Beijing XINHUA in English 0119
GMT 25 Mar 93

[Text] Jinan, March 25 (XINHUA)—East China's Shandong Province has invited a growing number of foreign experts who have done a great deal in helping with local economic development, according to Liu Caiwen, director of the provincial Foreign Experts Bureau.

Since 1985 the province has invited 170,000 overseas experts in various fields from over 20 countries and regions. In 1992 alone, 3,200-odd foreign professionals came to work in this coastal province.

Over the past few years Shandong has regained its old reputation for delicious apples, thanks to the help of over 20 Japanese and Canadian experts, who have helped local farmers plant 200,000 ha [hectares] of prime apple trees.

Meanwhile, the province has sent abroad over 8,000 people from administrative and industrial departments to receive professional training, Liu added.

Shanghai's Pudong 'Poised' For World Arena

OW2503033393 Beijing XINHUA in English 0250
GMT 25 Mar 93

[Text] Shanghai, March 25 (XINHUA)—Attracted by golden business opportunities, overseas businessmen and visitors are streaming into the Pudong New Area in Shanghai, China's leading manufacturing center, since it was designated as a key open area in 1990.

The opening of Pudong is designed to lead the overall economic uplift of the entire Yangtze River valley which has a big concentration of China's economic resources. So far, Pudong has won recognition in the world and it is poised for major operations on the world arena.

According to statistics, Pudong has since 1990 received more than 70,000 people from foreign countries as well as from Hong Kong, Macao and Taiwan.

Visiting foreign heads of state and government and other important official delegations all wish to have a look at the land of promise for themselves.

Many of them expressed the hope that the Pudong New Area leave some room for their operations, a local official said.

The Pudong New Area is first expected to help transform Shanghai's industrial and financial sectors and upgrade the metropolis into an international business center.

Experience shows that any developing country, if it wishes to make fine economic progress, must join in international business operations, daring to compete with others and absorbing international capital and advanced technology and management expertise.

Shanghai is the hub of water, land and air transportation and an outlet linking the country's interior with the outside world.

With a pool of more than 800,000 intellectuals and millions of experienced industrial workers, Shanghai is regarded as an ideal place for profitable investment.

In contrast to the fully occupied city proper on the west side of the Huangpu River with crowded high buildings, flourishing business and industrial enterprises, the Pudong area has stretches of farmland while enjoying all the advantages of the city and it has thus become a new focus for overseas investment.

A number of trans-national corporations including Itochu Commercial Co. Ltd., the Mitsubishi Corporation, Ford International Business Development (IBD) Inc., the Du Pont Company, Bell Telephone Manufacturing Co. and Chia Tai Group companies have set up branches and agencies in the Pudong New Area.

Zhao Qizheng, chairman of the Pudong New Area administrative committee, said: "Pudong is expected to develop into a new financial and trading center in the Asian and Pacific region as well as in the world."

"It will have at least 100 financial organizations and banks with a great deal of capital for people to exchange freely," he added.

A survey report shows that more than 30 banks from the United States, Japan, Britain, Canada and Thailand have established branch banks or offices in the city proper or in Pudong.

Foreign-funded enterprises in Pudong now number more than 700 with a combined investment of 3.23 billion U.S. dollars, compared with only 37 foreign-funded enterprises with a total investment of 222 million U.S. dollars three years ago.

In addition, departments under the central government and interior provinces and cities have set up 1,119 enterprises there with a total investment of 8.53 billion yuan.

Soon after Pudong was approved by the central government to open further to the outside world, the Shanghai Municipal Government decided to develop the area according to the standard required of a world class metropolis.

According to the plan, the city will have spent 50 billion yuan on transport facilities, energy development, telecommunications and environment protection by the end of 1995.

The construction of ten major capital projects is well under way costing 15 billion yuan. Projects which have been completed include two highway bridges across the Huangpu River, an expressway, facilities at the Waigaoqiao port district, expansion of a gas plant and waste water treatment facilities.

Construction of the Lujiazui financial and trading zone, one of the four development zones in the Pudong New Area, is going smoothly.

Over 150 blocks of buildings will be erected by the end of this century to house financial, trading and exhibition centers and conference halls and offer space for companies and consortiums. About 30 blocks are being built with an investment of 12 billion yuan.

Since the day that functional departments in Pudong began operation, they have pursued the principle of doing everything in accordance with international requirements.

A general manager of a Sino-Japanese joint venture enterprise in Pudong never expected that a high-tech project worth 12.5 million U.S. dollars could be put into production within ten months. He calls it "Pudong speed."

When a Sino-foreign joint venture advertised for hands, more than 1,000 people applied. The foreign manager was surprised that many of the applicants had very high educational backgrounds, and he therefore regarded Pudong as a "mine of gold."

According to city officials, Pudong is expected to concentrate on high-tech products and it has all the conditions for the production of such products. They are confident that Pudong will be highly competitive on the international market.

Shanghai Women 'Break' From Traditional Roles

OW2603012893 Beijing XINHUA in English 0053
GMT 26 Mar 93

[Text] Beijing, March 26 (XINHUA)—A recent survey in Shanghai shows that a growing number of Shanghai women are entering more social sectors to take on jobs as a way to break their traditional dependent social roles.

The survey, done by the Shanghai Women's Federation among 1,000 women ranging from 18 to 64 years old, demonstrates that career women now account for 56.7 percent of all Shanghai women, up 40 percent compared with the number 40 years ago.

The survey also indicates that women have sought jobs in almost all walks of life, even in such fields as plane and ship designing. There are now more than 400 working women designers in these fields while there were none as late as 1982.

Statistics show that the total population in Shanghai, China's leading industrial center, topped 13 million in 1992 and the number of women was slightly larger than that of men.

Experts said that as more and more women are going out to work, they are winning independence in terms of pocket money and their roles in life are also changing. They are not only wives and mothers, but also housewives and colleagues.

Many women said getting a job provides them with a chance to "play their capability", to "realize their self ego" or to "live in a social group." the survey also shows that family and career have become two inalienable parts in the life of Shanghai women.

When asked with whom they often discussed important issues recently, many of those who answered the survey said they would often discuss those issues with their colleagues too.

"It indicates that Shanghai women have enlarged their social contact circle from only blood and marital relationships to a wider sphere. Family no longer serves as the only living space for them now," said an analyst here.

Statistics also show that three out of five career women have changed their jobs more than once. Seven to eight out of ten women have traveled to parts outside Shanghai urban and rural areas.

In the past, most Chinese women seldom went as far as their courtyards, let alone to other areas outside their homes to seek a job or to travel.

Meanwhile, more women's organizations are being founded in Shanghai. Shanghai women have set up China's first "women engineers' association" and "women judges' association," marking another fact that Shanghai women intellectuals are making efforts to enlarge their sphere of social activities.

In addition, more than half of the women surveyed said their constant daily topics contain "social problems," "political problems," and "information related to careers."

Women have also enhanced their sense of devotion to their jobs and sense of achievement. About 60 percent of them said they hope to achieve something in their lifetime.

The survey found that more than half of them have received various kinds of training or professional study. Statistics show that some 500,000 women out of 1.13 million rural career women were trained last year.

Experts said that women's dependent role has been changed to a large degree in the past 40 years as more career women not only go out to work but also give birth to fewer children.

Central-South Region

Guanxi Executes Offenders Against Women

HK2403022693 Nanning GUANGXI RIBAO in Chinese
9 Mar 93 p 1

[Dispatch from Nanning by staff reporter Gao Manyuan (7559 2581 12432) "Guangxi Executes a Number of Criminal Offenders to Protect Legitimate Rights and Interests of Women and Children"]

[Text] This reporter learned from the news briefing held by the Guangxi Higher Court on 7 March that, to protect the legitimate rights and interests of women and children, the regional higher court authorized the intermediate courts of Nanning City, Guilin City, Beihai City, Guilin Prefecture, Liuzhou Prefecture, Nanning Prefecture, Baise Prefecture, and Hechi Prefecture on the morning of 7 March to hold meetings to pronounce legal judgment on the cases, as verified by the regional higher court, involving extremely serious offenders who committed the most heinous crimes of selling humans and raping women and children, and to enforce the execution.

The spokesman disclosed: Thanks to the measures adopted to sternly attack serious crime since 1983, such criminal cases have been restrained for a period of time and the legitimate rights and interests of women and children have been protected. Such criminal cases have been on the rise again in recent years. According to statistics, since 1991, the regional people's courts have handled 871 cases of selling humans, sentenced 1,839 offenders, and executed 11. The courts also handled 2,517 cases of rape (including rape of girls), sentenced 2,899 offenders, and executed 47. A total of 17 offenders were executed for murder resulting from rape.

The 18 offenders executed on the morning of 7 March include Liu Shengwei, Tang Huiyang, Lu Guiping, Wen Jiajian, Zhao Chengpu, Peng Ruichao, Qian Youying, Chen Fahe, Yuan Suzheng, Fan Ruigui, Tan Dong, Long

Ruijun, Mo Qingri, Zhang Zhifa, An Fengzhang, Liu Desheng, He Youshi, and Chen Zhichun.

These offenders ganged up or collaborated in the committed crimes. Some committed crime independently. They are the principal or chief culprits involved in abducting and selling women and children and raping women and girls. In addition to the serious crime committed by these offenders, the ways the crimes were committed were absolutely vile. They are indeed guilty of the most heinous crimes and they must be executed to assuage popular indignation.

Hainan Promulgates Enterprise Regulations

HK2003063693 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0815 GMT 14 Mar 93

[Text] Haikou, 14 March (ZHONGGUO TONGXUN SHE)—Wang Xiaofeng, Hainan provincial executive vice governor, disclosed here: Having conducted relevant experiments in Haikou for half a year, Hainan Province has recently promulgated the "Regulations for the Registration and Management of Enterprise Legal Persons," thus turning the existing enterprise legal person examination and approval system into a registration system.

Wang Xiaofeng said that in the past, applications for setting up enterprises have to go through scores of examination and approval procedures so as to allow the government to learn about the development trends of enterprises concerned. Especially, the "Project Examination and Approval System," under which "projects are approved first and companies set up later," caused inconvenience to investors and unnecessary troubles to the government. Wang noted that investors are inevitably more concerned with whether an enterprise can make profits or not than the government.

It was learned that with the introduction of the "Regulations for the Registration and Management of Enterprise Legal Persons," such a method as "generous in examination and approval, strict in management" will be employed, thereby transforming government functions in order that the government will be able to expend more efforts on macroscopic and professional regulation and control. After being established, enterprises are to be managed by industrial and commercial departments, taxation departments, and relevant functional departments which will act in accordance with the law.

Wang Xiaofeng disclosed that in accordance with the aforementioned new management regulations, when applying for setting up enterprises in Hainan in the future, except for 17 types of enterprises (tobacco, medicine, and so on) which need permits, investors will only have to accompany their applications with two documents, namely, "Applicant Legal Status Certificate" and "Enterprise Charter." In addition, applicants for setting up private enterprises or individually run enterprises will

not necessarily have to find a department in charge to support their applications or a unit to which they can be affiliated.

Hunan's Hard Currency Exchange Market Develops

OW2503044693 Beijing XINHUA in English 0312 GMT 25 Mar 93

[Text] Changsha, March 25 (XINHUA)—A brisk hard currency swap market has developed fast in central China's Hunan Province with the improvement in transaction methods.

According to local officials, last year the province got 491 million U.S. dollars through holding four hard currency exchange fairs. The money was mainly used for imports of raw materials and other necessary materials for the province's industrial and agricultural production, as well as for imports of advanced technology and equipment, greatly promoting production in a large number of state-owned enterprises.

Last September the province took the lead in the country to start services concerning foreign currency exchange for Hong Kong, Macao and Taiwan compatriots.

The provincial foreign currency exchange center opened offices in different localities to handle business concerning hard currency exchange for mainland residents.

Last year the province bought 11.74 million U.S. dollars from individual mainland residents and sold 8.48 million U.S. dollars.

The present balance held on deposits of foreign currencies in the province, now with 219 offices engaged in foreign currency services, triples the related figure recorded in the same period of last year.

According to Hunan officials, they will work hard this year to keep foreign currency exchange market prices at a rational level while developing diversified services in foreign currency exchange and encouraging individuals to trade.

Southwest Region

Earthquake Strikes Tibet; Does 'Little Damage'

OW2203152093 Beijing XINHUA in English 1456 GMT 22 Mar 93

[Text] Lhasa, March 22 (XINHUA)—The strong earthquake that hit Xigaze Prefecture in western China's Tibet Autonomous Region late Saturday [20 March] night did little damage as far as is known, according to local officials.

An official from the Xigaze Prefectural Government, contacted by telephone, said that many people in Xigaze city felt the seismic wave as a strong tremor. It was measured to be 6.6 on the Richter scale nearby Dinggye

County. This was the fourth severe quake to hit Tibet since last year. He added that no damage was sustained by the city.

A spokesman at the seismic monitoring station in Lhasa, capital of the region, said that at about 5:27 Beijing time early Sunday morning, another earthquake measuring 5.5 on the Richter scale shook the same area. And by nine o'clock Sunday morning eight shocks above three on the Richter scale and dozens of minor ones had been reported.

One Person Reported Killed

OW2203164893 Beijing XINHUA in English 1605
GMT 22 Mar 93

[Text] Lhasa, March 22 (XINHUA)—At least one person was killed during Saturday's [20 March] earthquake in Ngamring County of the Xigaze Prefecture in the Tibet Autonomous Region, according to the latest information released by the authorities here.

No details were released on the identity of the earthquake's first known fatality.

The town of Ngamring was severely damaged by the quake, which caused a number of houses to collapse, according to official sources.

Local government departments have mobilized all available rescue forces to search for survivors of the earthquake.

Tibet Provides Aid to Areas

OW2403232993 Beijing XINHUA Domestic Service in Chinese 0952 GMT 24 Mar 93

[Text] Beijing, 24 Mar (XINHUA)—Since Tibet's Lhaze County and Ngamring County were hit by an earthquake of 6.6 magnitude, the autonomous region has made positive efforts to arrange personnel and materials to aid the quake areas. The autonomous region's seismology bureau sent two work groups on the mornings of 21 March and 23 March to the quake areas to monitor the situation and investigate the damage caused by the disaster. The autonomous region has set up a command, headed by Vice Chairman Laba Pingcuo, to deal with the disaster and to provide relief to the disaster areas. Tibet's Vice Chairman Zeren Sangzhu today led a group to the disaster areas to comfort earthquake victims. The autonomous region also sent tents, cotton-padded blankets, cotton-padded military clothing, grain, and edible oil to the disaster areas.

According to the State Bureau of Seismology, the quake seriously damaged more than 1,000 houses of over 200 households in Ngamring County and put more than 200 houses of 50 households in the county in danger. One person was reported dead. Eleven townships in Lhaze County were hit by the quake.

It has been learned that the Tibet area is one of the areas in the Chinese Mainland where strong earthquakes are

likely to occur. To step up monitoring of the quake's aftermath and to improve communications work, the State Bureau of Seismology will send a work group that will bring radio transmitters and a faxing machine with them to the disaster areas to help with work there.

Rescue Efforts Underway

OW2403133593 Beijing XINHUA in English 1316
GMT 24 Mar 93

[Text] Lhasa, March 24 (XINHUA)—The government of the Tibet Autonomous Region has rushed a large amount of tents, quilts, warm clothing and food to the earthquake-stricken counties of Ngamring and Lhaze, according to official sources.

The articles were delivered by a consolation group led by the autonomous region's Vice Chairman Zeren Sangzhu.

The quake, which took place March 20, was recorded at 6.6 degrees on the Richter scale. One person was killed, and over 1,000 houses in the county town of Ngamring were damaged.

Meanwhile, in Lhaze County 11 townships were affected by the quake shocks, but no details of damage have been reported so far.

According to the sources, an anti-quake rescue headquarters has been established by the regional government.

On March 21 and 23 the regional seismological bureau sent two groups of experts, respectively, to investigate the disaster.

A work group dispatched by the State Seismological Bureau will arrive at the site in the next few days, the sources noted.

Yunnan Extends Antidrug Work Beyond Border

HK2503003093 Hong Kong MING PAO in Chinese 22
Mar 93 p 10

["Special dispatch": "Yunnan Takes Measures To Extend Antinarcotics Work to Outside the Border"]

[Text] Yin Jun, Yunnan provincial party committee secretary, says that China should not confine antinarcotics work within its boundaries, but should cooperate with neighboring countries to intercept narcotics outside the border.

According to Yin Jun, the measures adopted are as follows:

1. Through cooperation of prefectural, county, and township grass-roots governments as well as people of border areas with local governments and people outside the borders, the people are being helped in developing production, planting cash crops to increase income to put an end to the planting and production of narcotics.

Such measures have enjoyed great popularity among local governments and people outside the border, with some initial effects.

2. Prefectural, county, and township grass-roots governments and people are cooperating with local governments outside the border to crack down on criminal activities in manufacturing narcotics and destroy narcotics-processing bases.

3. Having a clear picture of conditions, and accurately cracking down on drug-trafficking activities.

In addition, he pointed out that antinarcotics work would be continuously strengthened within the border; in handling cases involving narcotics, the criminals must be made to suffer losses both in personnel and wealth. He explained that drug trafficking was highly profitable, and that it was said that "making it once means happiness to several generations."

The issue of narcotics has become a bottleneck that has perplexed social order in recent years. According to Yin Jun, Yunnan boasts a 4,061-km boundary bordering the "Golden Triangle," which grows abundant narcotics. It was learned that at one locality outside the border alone, there were about 60 factories processing heroin, with an annual output of 50 tonnes.

In 1992 alone, 5 tonnes of narcotics were discovered, of which there more than 4 tonnes of heroin, accounting for over 90 percent of the narcotics discovered across China; some 5,000 cases involving narcotics were cracked; and some 7,000 drug-traffickers were apprehended, of whom 446 were given death sentences and over 600 were given death sentences with reprieves or life sentences.

Yin Jun particularly mentioned a major counternarcotics action taken last year, namely, the action code-named "31 August" in cracking down on criminal activities. During the action, some 1,000 guns were seized, along with more than 1 tonne of narcotics, in addition to 12 million yuan and large quantities of gold and silver, which were the illegal proceeds from drug trafficking; 860 criminals were apprehended or gave themselves up; and some 100 vehicles of various descriptions and 64 luxurious houses built with drug trafficking funds were confiscated.

North Region

Beijing Municipal Government Work Report

SK1403235393 Beijing BEIJING RIBAO in Chinese
7 Feb 93 pp 1, 3, 4

[Government work report delivered by Chen Xitong, at that time mayor of Beijing Municipality, at the first session of the 10th Beijing Municipal People's Congress on 29 January]

[Text] Deputies:

On behalf of the Beijing Municipal People's Government, I will now give a work report to this session for its discussions.

1. Review of the Work of the Past Five Years

Elected at the First Session of the Ninth Beijing Municipal People's Congress, this government went through an extraordinary five years of history in the socialist modernization of the capital. Thanks to comprehensive implementation of the guidelines of the 13th National CPC Congress and the Sixth Beijing Municipal CPC Congress, economic construction and various social undertakings advanced at a fairly high rate in 1988. Beginning October 1988, we devoted three years to improving the economic environment and rectifying the economic order and, at the same time, greatly promoted reform and opening up in line with central arrangements. At the turn of spring and summer of 1989, we encountered a severe test presented by turmoil and counterrevolutionary rebellion. Under the leadership of the Beijing Municipal CPC Committee, we resolutely implemented a series of correct policy decisions of the CPC Central Committee, the State Council, and the Central Military Commission; we united and relied on the people throughout the municipality to fully support and coordinate with the martial troops. After hard work, we swiftly stabilized the situation of the capital, firmly defended the political power of the socialist state, and safeguarded people's interests. On 1 October that year, the people of various nationalities across the municipality warmly celebrated the 40th anniversary of the founding of the PRC. After many years of preparations, we hosted the 11th Asian Games in a safe, smooth, colorful, and successful manner in the autumn of 1990, thus creating a tremendous influence at home and abroad. With the support of the central authorities and the people of various nationalities throughout the country, in 1991 we put forward a bid for hosting the 2000 Olympic Games. That year, we emancipated the mind, braved the way forward, comprehensively fulfilled the Seventh Five-Year Plan, and attained the strategic target of doubling the economic growth ahead of schedule. After this, we formulated the 10-year program and Eighth Five-Year Plan for the economic and social development of Beijing Municipality and created a good situation for attaining the strategic objective of quadrupling economic growth. In 1992, the important speeches given by Comrade Deng Xiaoping during his south China inspection and the guidelines of the plenary session of the CPC Central Committee Political Bureau greatly inspired the enthusiasm of the people of various nationalities in the municipality for going all out to make the country strong. The vast number of cadres and the masses further emancipated the mind and uplifted their spirit to push the reform, opening up, and modernization program of the capital to a new stage of development. At the 14th National CPC Congress, which had an important immediate and far-reaching historical significance, Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics was comprehensively

expounded, and the reform targets for establishing the socialist market economy system and the major tasks for some time to come were put forward. At the Seventh Beijing Municipal CPC Congress, we further clarified the targets for the capital's modernization program for the next five years in line with the reality of the municipality. The people of various nationalities in the municipality conscientiously studied and implemented the guidelines of the 14th National CPC Congress and the Seventh Beijing Municipal CPC Congress and promoted the economic structural reform and opening to the outside work in unprecedented range and quality. An economic development trend characterized by better efficiency and higher speed emerged, the economic and social development plan was comprehensively fulfilled ahead of schedule, and encouraging new achievements were won in all fields. The past five years were a period when the people of various nationalities in the municipality, under the leadership of the CPC, comprehensively implemented the party's basic line, continuously emancipated the mind, deepened reform, and opened wider to the outside world; a period when the capital witnessed good economic and social development and continuous improvement of the living standard; and a period when new achievements were won continuously in building the socialist spiritual civilization and improving democracy and the legal system.

A. The comprehensive strength of the municipality's national economy was enhanced obviously, and production structure was readjusted further. In 1992, the gross domestic product of the municipality was 70.72 billion yuan, increasing by 11.3 percent over 1991 and by 51.3 percent over 1987, and showing an average yearly increase of 8.6 percent if calculated in terms of comparable prices. The rural economy rapidly marched toward the orientation of specialization, commercialization, and modernization. Bumper grain harvests were reaped for 15 years running. The modernized foodstuff production base began to take shape, output and quality of major agricultural and sideline products improved further, and the variety of such products increased continuously. Township and town enterprises developed at a high speed, thus becoming a major force of the municipality's national economy and of the municipality's export and foreign exchange revenues. Thirty-seven poverty-stricken townships basically extricated themselves from poverty and attained the goal of providing enough food and clothes for their people. The landslide in the industrial economy was reversed. In 1992, the municipality's total industrial output value reached 103.78 billion yuan. The total output value of the industry at or above the township (town) level reached 87.83 billion yuan, up by 15.1 percent, and the profits and taxes of the industry at or above the township (town) level went up by 13 percent, basically effecting simultaneous increases in growth rate and efficiency. The number of unprofitable enterprises covered by the provincial budget dropped from 113 in 1990 (accounting for 22.3 percent of the total number of budgetary enterprises) to 62 in 1992 (accounting for 14.7 percent of the total). The amount of

deficits declined from 325 million yuan to 140 million yuan. The marketing rate of industrial products of the municipality was 96 percent, of which, the marketing rate of the products of state-owned enterprises was 98.5 percent. The composite index of the economic efficiency of industry reached 119.4 percent, ranking second among all provinces, autonomous regions, and municipalities in the country. The tertiary industry was thriving. The added value of the tertiary industry in 1992 went up by 12.3 percent over that in 1991 and by 60.8 percent over that in 1987. The past five years was the best period for the construction of commercial and service centers as well as the most prosperous period for the capital's markets. The total number of commercial and service centers increased from 103,000 in 1987 to 145,000 in 1992. The total volume of retail sales of commodities increased by a double-digit rate on an average for nine years running, reaching 43 billion yuan in 1992, or an increase of 20.2 percent over 1991 and an increase of 140 percent over 1987. The historical change of changing from the "sellers' market" to a "buyers' market" was taking place in consumer goods. The production structure was readjusted further. In comparing 1992 to 1987, in the gross domestic product of the municipality, the proportion of the primary industry dropped from 7.4 percent to 6.6 percent, that of the secondary industry dropped from 55.9 percent to 48.9 percent, and that of the tertiary industry rose from 36.7 percent to 44.5 percent.

B. Reform was deepened continuously, thanks to positive explorations. During the past several years, the economic structural reform was primarily aimed at changing the highly centralized planning system and the single ownership structure, at overcoming the defect of egalitarianism and the practice of eating from a common pig pot, at expanding the autonomy of enterprises, at enhancing the vitality and competitiveness of enterprises, and at creating conditions for building the socialist market economic system at last. On the basis of carrying out and perfecting the contract management responsibility system with its major content as "ensuring the delivery of financial revenues to the state, ensuring technological transformation and the appreciation of assets, and linking the total payroll of enterprises with their economic performance," enterprises, large and medium-sized state-owned enterprises in particular, further deepened the reform in 1991 by adopting the forms of contracting both input and output, separating profits from taxes, repaying loans after taxes, assuming responsibility for reducing deficits, and testing the shareholding system. They thus improved the internal and external conditions of enterprises. Such reform measures were carried out among all industrial, agricultural, commercial, and construction enterprises. In addition, state-owned large, medium-sized, and small commercial enterprises in the municipality gradually lifted restrictions in four aspects, thus greatly increasing their vitality. Some small state-owned enterprises also carried out experiments concerning the system of being owned by the state but being leased or contracted to individuals

for operations, yielding good results. The enterprises took the optimization of labor organizations and the implementation of the all-worker labor contract system as a breakthrough point; and started to eliminate the so-called "iron-rice-bowl, ironclad-wage, and iron-armchair" system that was excessively rigid and not suitable to the development of the commodity economy; and made new progress in reforming labor, personnel affairs, and distribution systems. Simultaneously, we started to explore various channels and ways for reforming the property rights system, steadily expanded the trial implementation of the shareholding system, rapidly developed the privately and individually owned industrial and commercial households, and greatly accelerated the pace of cooperating with foreign businessmen. A new property rights pattern took shape that is dominated by public ownership where the private and individual sectors of the economy, three types of foreign-funded enterprises, and various kinds of ownership coexist. After the Dongan group merged with the Beijing No. 2 Watch Plant, the municipality smashed the restrictions on distributing the interests among different departments, among different regions, and among different trades; and readjusted, on a large scale, the industrial structure. A group of enterprises, therefore, with advantages merged with money-losing enterprises. Along with the further expansion of lateral economic cooperation, the municipality organized and established a group of enterprise groups dominated by the commodities and enterprises with advantages. In the past, we paid attention to positively cultivating and developing the market system. Markets for capital goods for daily living and production use, technology markets, labor service markets, and skilled people service markets preliminarily took shape. Information, banking, consultation, and real estate markets started to develop in a fast manner. Agricultural production was greatly developed and the town and township enterprises were rapidly developed in the suburban districts and the rural areas. To suit the requirements for development of productive forces, the plains areas grasped favorable opportunities to gradually carry out and ceaselessly perfect the agricultural specialized contract system dominated by collective management, the appropriate-scale management system, and the socialized service system. The mountainous areas and the economically backward areas continued to develop the system of contracted responsibility on a household basis with payment linked to output, thus mobilizing the enthusiasm of the collectives and the households and upgrading the agriculturally intensive level and labor productivity. The social unified system of providing insurance for the aged was preliminarily set up in the urban areas. Simultaneously, we made new steps for reforming the social unemployment, medical, work injury, and rural aged insurance systems. Through the four-year trial reform of the housing system, a housing reform plan basically suitable to the special characteristics of Beijing has taken shape. With the approval of the leading group for reform of the housing system under the State Council, the municipality carried out the housing reform plan in a step-by-step manner. In line with the

enterprise reform and the setup of the market system, the overall economic management departments under the government changed their functions and successively delegated to lower levels the rights for examination, approval, and management of investment in construction items, employment, fixing of product prices, wage distribution, running of three types of foreign-funded enterprises, and running of tertiary industry. The enterprises with conditions were given the decisionmaking right in foreign trade management. Simultaneously, we grasped favorable opportunities to appropriately decontrol the prices of some commodities. By the end of 1992, the prices of more than 90 percent of the commodities were regulated by markets. Scientific research institutions further improved the scientific and technological contracted responsibility system with "three guarantees and one coordination" as its main content. The scientific-industrial-trade associations, the scientific and technological development enterprises, and the technology markets were newly developed. The educational administrative departments delegated to lower levels the right to manage basic education, thus mobilizing the school-running enthusiasm of districts, counties, towns, and townships. Primary and middle schools generally carried out the internal management systems, mainly including the school master responsibility system, the system of the appointment of teaching and administrative staff, the in-school structural wage system, and the system of responsibility for fulfillment of teaching targets. Institutions of higher learning, secondary specialized schools, adult schools, and technical schools also gradually carried out the reform of the management system and the teaching system. Cultural, public health, and physical educational fronts also made new progress in reform.

C. A new situation was created in opening up. After many years of exploration, a new economic pattern marked by all-around and multilayered opening up, introduction of foreign capital, and development with domestic funds, which suited the capital's characteristics, began to take its initial shape. The Beijing Municipal New Technology Industrial Development Experimental Zone, which mainly included the Haidian Zhongguancun area, the Shangdi Information Industrial Base, and the Fengtai and Changping Scientific and Technological Parks, and the Beijing Economic and Technological Development Zone, which is located in Yizhuang on the southern suburban area, paid their main attention to the development of high and new technology; according to plan, the urban areas mainly developed tertiary industry and high and new technology industry and transformed traditional industrial enterprises; the suburban and plains areas gave priority to establishing grain and nonstaple food bases, and county industrial and township industrial areas; and outlying mountainous areas gave priority to developing natural resources and processing agricultural and sideline products. We unceasingly expanded the scale and the sphere of using foreign capital, introducing technology, managerial skills, and personnel and began to seek development in commerce and real estate and to build urban

infrastructure facilities. The "three types of foreign-funded enterprises" developed at an unprecedented rate. In 1992, 2,280 enterprises of this category were approved, exceeding the total sum of the previous 13 years; there were 3,769 "three types of foreign-funded enterprises" across the municipality, and the total sum of money involving in the agreements reached \$8.11 billion, of which \$3.95 billion was foreign capital. We conducted reform characterized by implementing the system of assuming responsibility for sole profits and losses and abolishing subsidies among foreign trade enterprises, delegated export operational rights to a batch of enterprises with favorable conditions, and succeeded in promoting a sustained increase in foreign trade. During the past five years, the foreign export trade volume increased at an annual average progressive rate of 11.4 percent, reaching \$1.51 billion in 1992. Noticeable results were achieved in the Beijing investment and trade symposium held in Hong Kong in November 1992, indicating that new breakthroughs were made in the municipality's opening up. The number of overseas enterprises rose from 30 in 1987 to 105 in 1992, and their economic efficiency improved gradually. We unceasingly expanded the construction of contracted projects and labor services. The tourist industry also became Beijing's important industry. In 1992, we received 1.748 million tourists from other localities, and the foreign exchange earning from tourism exceeded \$1 billion, showing an increase of 61.7 percent and 95.5 percent, respectively, over 1987. Overseas friendly contacts continued to expand. Beijing had established friendly city ties with 12 countries and 14 major cities and established or developed exchange and cooperation with more than 120 countries and regions as well as international organizations.

D. Noticeable changes took place in urban appearance, and the level of modernization was further enhanced. During the past five years, urban infrastructure facilities were always considered a matter of prime importance in urban construction. The accumulative investment in this aspect reached 17.4 billion yuan, 2.7 times that of the previous five years. A batch of key water, power, gas, heating, road, postal, and telecommunications projects aiming at promoting national economic development, strengthening the capital's functions, and improving the people's life were built. In comparing 1992 with 1987, the municipality's water supply capacity increased by 21.7 percent; that of gas supply, 74 percent; that of associated heating supply, 83.7 percent; the total volume of telecommunications business rose by 3.8 times; and the designed capacity of telephone switchboards rose by 1.7 times. The program-controlled telephones of 18 districts and counties across the municipality were connected to form a network, making direct domestic and international telephone dialing possible in these districts and counties. Major progress was made in road construction. The communications strategic objective proposed by the municipal government five years ago on "opening up the two sides to alleviate traffic congestion in the middle" was realized. We completed the road project on

the eastern, western, and southern sides; renovated and improved the second ring road; and completed a 33-kilometer-long freeway without traffic lights in the city proper; built the third ring road in the southern side and the eastern section of the fourth ring road in the northern side, opened up an axial road in the central part, and renovated the Anwai boulevard and Anli Road; the completion of the Beijing section of the Beijing-Tianjin-Tanggu Expressway and the building of the Beijing-Shijiazhuang Expressway began the expressway building history of Beijing; the subway train ring line was improved; the construction project of the subway train line running from Fuxingmen to Bawang Tomb began, of which the section running from Fuxingmen to Xidan was completed and open to traffic; and the construction of a number of new roads in districts, counties, townships, and villages was also completed. In the past five years, the length of urban roads was increased by 243 km, the length of highways by 1,803 km, and the number of large overpasses by 42. Water conservancy facilities were expanded and improved, and a number of important flood control and waterlogging control projects were built. After improving the Chaobai He basin, we again started harnessing and developing Yongding He. New houses of various types totaling 53.21 million square meters were built, equivalent to two and a half Beijing cities in the early post-liberation period. Of the total, 30.62 million square meters were residential houses. This meant that 6.12 million square meters of houses were built every year. In 1992, 10.91 million square meters of houses of various types were built, of which 6.62 million square meters were residential houses, both figures being the highest since the founding of the country. We began renovation of 49 blocks of shabby and dangerous houses totaling 3.1 million square meters, and completed 1.3 million square meters of them. Construction of satellite cities, county towns, and market towns developed rapidly. Great attention was given to greening and beautifying urban and rural areas and protecting the environment, which became an important part of the capital's endeavor to build the two civilizations. Aiming at becoming an advanced clean city of the country, we started comprehensive improvement of the environment and achieved notable results. Tree, flower, and grass planting was accelerated, expanded, and improved. We covered 30.4 percent of the urban areas with trees or grass in 1992, thus providing favorable conditions for fulfilling the targets listed in the Eighth Five-Year Plan. We adopted effective measures to protect old and famous trees. We further carried out the work to control water, air, and noise pollution and the pollution created by solid waste. Beijing was named the "Nationally Outstanding City in Comprehensive Environmental Improvement," one of the "Top 10 Clean Cities of the Country," and a "Garden City" in 1992. While expediting urban and rural modernization, we adopted effective measures to step up protection of the style of the ancient capital. To conform to the new situation in reform, opening up, and urban and rural development, we revised the municipal overall plan and submitted it to the State Council for examination and

approval after it was examined and approved by the municipal people's congress Standing Committee.

E. Encouraging achievements were won in science and technology, and education witnessed comprehensive development. Science and technology, as the primary productive forces, entered the major battlefield of economic construction, urban construction, and urban management. The "Spark Plan," the "industrial technological development plan," the "Torch Plan," and the "urban construction and management plan" yielded significant results. A great number of scientific and technological achievements were scored in the past five years, 340 of them won state-level awards, and the output value created by the applied scientific and technological achievements totaled 17.6 billion yuan. Technology markets recorded unprecedentedly brisk business, and transactions totaled 12 billion yuan. Groups of high and new technology enterprises took shape in the Beijing Municipal New Technology Industrial Development Experimental Zone and were developing along the direction of industrialization and internationalization. Focusing on reform, opening up, and the modernization program, social science workers actively conducted explorations and won new achievements. Scientific and technological development began to play a leading and promoting role in improving the quality of the national economy as a whole.

The strategic position of education in economic and social development was strengthened. The municipal government persisted in doing 10 practical jobs for education every year and raised education funds from various channels. All district, county, and township governments also followed suit. The education funds allocated by the municipal finance department increased by 15.5 percent every year, and the proportion of education funds in the total financial expenses rose from 17 percent in 1987 to more than 20 percent. We encouraged enterprises and institutions and people from all circles to donate money to support schools or raise money to develop schools and established people's education foundations at various levels. Meanwhile, we rendered great support for the development of school-run enterprises. In 1992, the output value of school-run enterprises totaled 2.7 billion yuan, and their profits 400 million yuan. Teaching conditions improved to varying degrees. The nine-year compulsory education was basically made universal in urban and rural areas, and initial success was achieved in eliminating illiteracy among young and middle-aged people. We began adjusting the layout and specialties of the higher educational institutes of the municipality to improve their education quality and teaching efficiency. Adult education, preschool education, and special education were notably strengthened. Based on the needs of economic construction, we greatly developed secondary vocational and technical education and held extensive vocational and technical training. In the five years, 480,000 people completed the courses of or graduated from the schools at and above the college

level, and 290,000 people completed the courses of or graduated from secondary specialized or technical schools.

F. A new scene of prosperity and progress emerged in such social undertakings as culture, sports, and public health. During the past five years, a number of modernized cultural halls, libraries, and hospitals were built. In coordination with the hosting of the Asian Games and with the bidding for the hosting of the Olympic Games, the municipality worked out plans and completed the building of a large number of gymnasiums and sports facilities, thus creating a good condition for hosting large international and domestic sports meets and launching mass sports activities. Specialized and mass recreational and sports activities were varied and colorful. The vast numbers of cultural and art workers created and performed a group of excellent literary and art works, thus producing a good social impact. The cultural market began to take shape and develop in a sound way. The variety and distribution of newspapers, periodicals, and books increased by a large margin. The content and quality of radio and television programs were increased and improved. The cultural relics work attracted the close attention of the society. New headway was made in the principle of "scientific protection and reasonable utilization." A large number of key cultural relics and historic sites were rescued, repaired, and protected with the funds collected or raised from diverse fields or with overseas investment. Various forms of explorations were made in the circulation of cultural relics. The mass patriotic public health campaign was launched in an extensive and penetrating way, the incidence of infectious diseases dropped year by year, and the planned immunity rate attained the standard of the World Health Organization in advance. Specialized hospitals and specialized outpatient service developed, thus initially forming a specialized medical system with its own characteristics. Obvious results were achieved in the primary health care service. Five suburban counties attained the medical service standards ahead of schedule. Marked results were achieved in family planning. In 1992, the municipality's family planning rate reached 99.8 percent, up by 7 percentage point over 1987. Although the past five years saw the population growth peak, 140,000 fewer babies than expected were born as compared to the previous five years.

G. Living standards of urban and rural residents improved. In 1992, the per capita income of urban residents available for living expenses was 2,363 yuan, and that of rural residents was 1,569 yuan, showing an increase of 9.3 percent and 26.2 percent, respectively, over 1987 if the price increase factor is deducted. At the end of 1992, savings deposits of urban and rural residents totaled 38.78 billion yuan, an increase of 320 percent over 1987. The per-capita housing area of urban residents went up from 9.75 square meters in 1987 to 12.1 square meters. During the past five years, about 500,000 families moved to new residences, basically solving the housing problem for those families whose per

capita housing area was under 2 square meters according to the statistics compiled at the end of 1991, and improving the housing conditions for the 22,000 families living in dangerous houses. The per capita housing area of peasants rose from 18.4 square meters to 22.7 square meters. An urban and rural social guarantee system, composed of social welfare service, social insurance service, replacement of disabled servicemen and families of servicemen, medical service, and comprehensive social service centers was gradually established in the course of reform. Maternity and child work and the service to the handicapped and old people garnered the concern and support of the whole society. The six abnormal death rates dropped greatly. The health level of the people improved obviously. The average life expectancy of the population reached 75.6 years, approaching the level of developed countries.

H. The building of socialist spiritual civilization and the building of democracy and the legal system were strengthened further. During the past five years, by aiming at training new socialist persons with high ideals, moral integrity, cultural accomplishments, and the sense of discipline, the municipality educated the masses on persisting in the party's basic line; on patriotism, collectivism, and socialism; on the situation of the country and the municipality; on national defense; on upholding the four cardinal principles and opposing the bourgeois liberalization; on abiding by discipline and laws; and on social ethics and professional morality. The municipality continuously launched such spiritual civilization activities as "acting as civilized citizens, creating civilized units, and building civilized cities," the "Army-police-civilian joint construction," building the "double-support" model districts and counties, "learning from Lei Feng," appraising "good citizens who are ready to take up the cudgels for a just cause," issuing the capital's spiritual civilization medals, issuing the gold ship and the silver ship medals to students of primary and middle schools, and appraising the "five-good families." As a result, the persons and cases of being ready to take up the cudgels for a just cause and finding it a pleasure to help others emerged in the municipality one after another. Particularly, we further promoted the development of socialist spiritual civilization by carrying forward the "Beijing Asia Games" spirit of "cherishing the Chinese nation, striving to win honor for the country, making selfless contributions, being united and cooperative, fighting indomitably, and striving to create the first-class achievements" and the spirit of unity and mutual assistance that "all fronts give assistance if one has difficulties." The broad masses of the people further enhanced the sense of glory and the sense of responsibility for ardently loving the motherland and the capital and building the capital.

The building of a high degree of democracy and the perfection of the legal system is not only one of the reform targets but also a key guarantee for reform. In the past five years, the municipal government and its functional departments conscientiously implemented the resolutions of the municipal people's congress and its

Standing Committee; persistently reported their work to the municipal people's congress and its Standing Committee and also accepted their supervision; persistently conducted democratic consultation with the municipal committee of the Chinese People's Political Consultative Conference [CPPCC], democratic parties, nonparty democratic personages, and mass organizations; extensively solicited their opinions and suggestions; and accepted their criticism and supervision. A total of 8,061 opinions made by the deputies to the National People's Congress and the municipal People's Congress and 4,069 motions by the CPPCC members were handled in five years. A number of practical problems were solved by handling the motions and opinions. Simultaneously, this helped all government departments and their working personnel improve their work, overcome bureaucracy, reduce careless omissions, and upgrade work efficiency. In the past five years, we further strengthened the work toward nationalities, religions, Overseas Chinese affairs, Taiwan, Hong Kong, and Macao; and expanded the contacts with all social circles, compatriots in Taiwan, Hong Kong, and Macao, and overseas Chinese. Meanwhile, we further widened the channels for listening to the masses' suggestions and complaints; established an office to solicit the people's suggestions; set up telephones directly linked to the mayor, report telephones, and telephones especially to hear the people's complaints; strengthened the work of receiving visitors and handling incoming letters from the masses; and set up the system of holding seasonal scientific and technological work forums. The setup of such grass-roots autonomous organizations as staff and workers congresses, neighborhood committees, and villagers' committees was strengthened.

In line with the objective of administering municipal affairs according to laws, we further strengthened the setup of legal systems. In the past five years, 283 local rules and municipal government administrative regulations were submitted to the municipal people's congress Standing Committee for examination and approval, accounting for 50 percent of the current rules and regulations. The governments at various levels and their work departments established and perfected the legal system organizations, strengthened the setup of the legal system's worker contingents, expanded the law enforcement degree, strengthened the awareness of providing legal service, and improved the level of handling administrative affairs according to laws. The urban construction and management work was preliminarily brought into the orbit of the legal system. To ensure social stability, we carried out a series of special struggles against serious criminal offenders, serious economic criminals, "pornography," and "six vices"; gradually perfected and implemented various measures for comprehensively improving social order; and created a fine social environment for reform and opening up.

Over the past five years in the struggle against unhealthy practice and corruption, we concentrated energy, in line with the principle of "first being resolute, second being

persistent, and third continuously making achievements by various stages," on investigating and handling such unlawful and undisciplined cases as abusing power for selfish gains, engaging in corruption, accepting bribes, and apportioning expenses mainly among leading organs, law enforcement and supervision departments, management departments, and public utility management departments; especially straightened out the phenomena of leading cadres violating laws and discipline to build private houses, using public funds and surpassing standards to decorate houses, and taking advantage of functions and power to occupy excessively more housing areas as well as the unhealthy practice within trades. Supervisory and report organizations were established and report systems were gradually perfected. More than 27,000 special supervisors and social supervisors at various levels and of different types were invited. The supervisory departments at various levels accepted and handled more than 30,000 cases reported by the people. Of these cases, 1,096 were put on file for investigations according to regulations and 946 cases were concluded. These measures played a positive role in ending the spread of unhealthy practice and improving the administrative honest of government departments.

After reviewing and summarizing the work of the past five years, we have deeply felt that there is still a long way to go, and the hard work of many governments and many generations to come is still needed to build Beijing into a modern capital of the great motherland. As far as current work is concerned, there are many difficulties and problems on our road ahead and many deficiencies in work. The major ones are as follows:

a. We lack sufficient study and a thorough understanding of the theory of building socialism with Chinese characteristics. Although we have paid attention to preventing rightist things, we lack a full estimation and understanding of the influence of "leftist" elements, which prevents us from taking border steps forward in some areas.

b. Beijing's economic restructuring has advanced fairly well but still falls short of the demand of the development of the socialist market economy. The development of the tertiary industry lags behind. A great amount of work remains to be done in adjusting product mix and enterprises' organizational structure in the secondary industry, and the economic efficiency of some enterprises is still low. In mountainous areas, which account for 62 percent of the total area of Beijing and in which 1.5 million people live, economic development is still backward. This directly affects Beijing's effort to achieve a "fairly comfortable life," and, therefore, implementation of the "project for mountainous areas to achieve prosperity" should be accelerated. Meanwhile, further exploration is urgently needed on how to take the market as the guide to develop high-yield, high-quality, and high-efficient agriculture.

c. In urban and rural construction, we have always put construction of infrastructural facilities in the first place

and accelerated its development, but the facilities still fall short of the demand of economic and social development and opening to the outside world. In particular, we should spare no efforts to solve the problems in water, electricity, and gas supplies, and post and telecommunication, and transportation, which restrict the economic and social development of the capital.

d. The capital enjoys exceptional advantages in scientific and technological forces, but the advantages are far from being fully and effectively developed. Further work is needed to coordinate science and technology with economic construction, urban construction, and urban management; and more scientific and technological achievements should be transformed.

e. We have exerted great efforts and achieved substantial progress in developing education, but we still lag behind the demand imposed by Beijing's status as a cultural center and the need of its economic and social development. We still have to make great efforts to ease fund shortages, change the backward facilities, and steadily improve teaching and administrative personnel. Leading persons at all levels should resolutely abandon the idea that they have done "well enough" in education.

f. Some ugly phenomena and unhealthy trends still exist in society and in some departments and trades, and some of them are rather serious. Law breaches are on the rise. The tasks to improve public security, strengthen management of public order, and wage the anticorruption struggle remain very arduous.

g. The government's organizational systems, leadership style, and work methods are still very incompatible with the development of the socialist market economy. Effective methods are still lacking to check ill-considered competition and "overheated" pursuit of high speed in defiance of efficiency. A package of systems has yet to be established through the in-depth reform.

The aforementioned problems should be solved conscientiously when doing work in the future. We sincerely urge deputies to continue to give criticism, opinions, and suggestions.

The achievements in the capital's reform, opening up, and socialist modernization are the result of the unity and hard work of the people of various nationalities in the municipality under the concern and leadership of the CPC Central Committee and the State Council and under the direct leadership of the Beijing Municipal CPC Committee and the result of the supervision, inspection, and assistance of the people's congress and its Standing Committee and the supervision and support of the municipal CPPCC committee, various democratic parties, personages without party affiliation, and mass organizations. The People's Liberation Army [PLA] and the armed police force stationed in Beijing, the broad masses of public security cadres and policemen have exerted efforts to provide a good environment for reform and opening up. The central units stationed in Beijing

and all provinces, autonomous regions, and municipalities have provided help in all aspects for Beijing's modernization construction. At this point, let me extend heartfelt thanks to the broad masses of cadres and the people on all fronts, the central units stationed in Beijing, the PLA units stationed in Beijing, and the fraternal provinces, autonomous regions, and municipalities; to the municipal deputies and the municipal CPPCC Committee members; to all democratic parties, people from all walks of life, the Trade Union, the Communist Youth League [CYL], the Women's Federation, the Youth Federation, the Federation of Industry and Commerce, the Federation of Taiwan Compatriots, the Federation of the Literary and Art Circles, the Association of Science and Technology, the Federation of Returned Overseas Chinese, and other mass organizations; to compatriots from Hong Kong, Macao, and Taiwan and Overseas Chinese compatriots who have cared for and supported the construction of the capital; and to all foreign friends who have developed friendly cooperation with us.

Reviewing the past five years of practice, we have profoundly learned that to push all fields of the capital's work forward, we must realistically pay attention to the following few points while carrying out government work:

First, we must unswervingly implement the party's basic line and firmly grasp the central task of economic construction. The capital's good achievements in reform, opening up, and socialist modernization can be concentrated on one point, that is: Under the leadership of the CPC, we should rely on the people of various nationalities across the municipality, unswervingly and comprehensively implement the central task of economic construction, uphold the four cardinal principles, and adhere to the basic line on reform and opening up. We should not waver in the party's basic line. The key to achieving this is to persist in regarding economic construction as our central task and not to waver in it. All fields of work should be subordinated to and should serve this central task. We should not deviate from this central task, and still less should we disrupt it. To firmly uphold the party line, we must also integrate reform and opening up with the four cardinal principles. The two supplement each other and, at the same time, are also aimed at better emancipating and developing the productive forces and pushing economic construction forward. On the issue of grasping "one central task and two basic points," cadres at all levels, particularly leading cadres, should watch out for rightists and pay our main attention to guarding against "leftists." The rightists may ruin socialism and "leftists" may also spell an end to socialism. Only by comprehensively and correctly understanding the party's basic line can we effectively prevent "leftists" or rightist mistakes, enhance our consciousness and steadfastness in implementing the party's basic line, maintain political unity with the party Central Committee, and unceasingly push the capital's socialist modernization construction forward.

Second, we must unceasingly emancipate minds, and strive to make our subjective recognition conform to the objective reality. The original idea of emancipating minds and seeking truth from facts is to free our ideology and understanding from the shackle of idealism and metaphysics, uphold the correct ideological line, use the dialectical materialist ideology to guide our work, seek truth from facts, and make the subjective views conform to the objective ones; to use the Marxist stance, viewpoint, and methods to analyze the new situation and understand new things and raise and solve new issues; and to correctly understand the world and actively transform the world. Practice shows that places where emancipation of minds has been practiced, the people there will enhance spirit, be full of life, and be capable of uninterruptedly opening up a new situation. Contrarily, places where the people's thinking is ossified and at a standstill, the people will become dispirited and lifeless, accomplish nothing, and fall back or suffer a failure. Although the objective conditions are similar, the working effect may be different. These cases are numerous. For many years, we have always regarded emancipating the mind and changing concepts as a key link of reform, opening up, and modernization program and firmly attended to it. When summarizing and examining work at the beginning or at the end of a year, we have made efforts to find out where we lagged behind in the emancipation of the mind and have drawn up measures to improve work. In this way, we have broadened the field of vision, enhanced understanding, clarified the orientation, and promoted various undertakings. Practice has enabled us to deeply understand that as the objective world is changing continuously and new things emerge in an endless stream, our ideas and concepts that reflect the objective world should also continuously change accordingly. Emancipating the mind and seeking truth from facts, as a process to explore and develop truth, are not a task for a certain purpose to be done in a certain period, nor a task that can be accomplished at one stroke. Therefore, leading cadres of governments at all levels should always remain vigilant against and avoid the one-sidedness of subjectivism and metaphysics and pay close attention to the key link of mind emancipation. Only in this way can they achieve faster and better results in promoting work.

Third, we should defend the stability and unity of the capital like we cherish our own eyes. As the capital of the great motherland, Beijing maintains the morale of the party and the people. Defending the capital's stability and unity not only concerns the development of the capital itself but also is extremely important to the entire country. Without a stable and united political and social environment, reform, opening up, and economic construction will not develop; building a beautiful capital will be empty words; and building socialism with Chinese characteristics, attaining the three-step grand objective, and continuously improving living standards will come to nothing. Upholding the four cardinal principles is the foundation for ensuring political and social stability and an important guarantee for China to advance

along a correct direction and achieve prosperity and strength. The four cardinal principles are totally compatible with China's situation and are the necessity in China's historical development. The ups and downs of the ideological trend of bourgeois liberalization in the past few years which negated the CPC leadership and the socialist system were an important reason for turmoil and instability. Therefore, we should uphold the four cardinal principles with a clear-cut stance, oppose bourgeois liberalization, and resolutely eliminate all the factors leading to instability. We should deal resolute blows to and handle according to law the small number of hostile elements who undermine stability and unity, undermine reform and opening up, create turmoil, and violate the criminal law and the elements who commit criminal offenses and serious economic offenses. Meanwhile, we should handle the great number of contradictions in social life among the people in a timely and correct manner and prevent them from becoming more acute. Otherwise, we will also harm stability and unity. Practice of the past few years told us that the stability and unity of the country hinge on the stability and unity of the capital, which we should defend in the same way we cherish our own eyes.

Fourth, we should remain diligent and honest and persistently serve the people wholeheartedly. People are the masters of the country, the source of our strength, and the foundation for our success. Governments at all levels and their personnel are the servants of the people, and serving the people wholeheartedly is the only purpose of government work. Governments at all levels and their personnel should regard people's interests as the highest standard and work conscientiously, selflessly, and arduously to do more practical work for the people. They should meet people's demands, go deep into the masses to conduct investigations and study, make all their decisions and work reflect people's fundamental interests, and use the highest possible standards to demand and evaluate themselves. They should persist in whatever is compatible with the people's interests and resolutely correct whatever is not. People's trust in the government depends on the government's service to the people and its honesty in performing official duties. The government will lose the trust and support of the masses and be abandoned by them some day if it stands high above the masses, does not understand their situation, and gives no heed to their voice, or if it renounces practical work in favor of empty talk, is lazy in thinking and doing work, acts as lord or master, and even perverts justice for a bribe and becomes corrupt.

Fifth, we must bring into full play the initiative of all fields in making contributions to building the capital. Beijing is the capital of the people of all nationalities in the country. Building Beijing into a modernized international city is a protracted and arduous task. It is not nearly enough to exploit the initiative of Beijing's Government alone. We must fully respect and give full play to the sense of responsibility as being the masters and the pioneering spirit of the broad masses of the people in

carrying out reform, opening up, and modernization. We must wholeheartedly depend on the working class to mobilize the initiative of all fields. First, the municipal government should delegate powers to district and county governments; district and county governments should also delegate powers to neighborhoods, townships, and towns so that they can do even more things in an even better manner in line with the realities of their own localities. Beijing assembles the central leading organs and their subordinate enterprises and establishments as well as the agencies stationed in Beijing of various provinces, autonomous regions, and municipalities. All of them have the aspirations and enthusiasm to make contributions to building the capital. This is a very big advantage. The building of the capital is inseparable from their support, help, and guidance. Governments at all levels should strive to improve service, consciously strengthen the ties with them, modestly learn from them, voluntarily seek advice from them, and fully mobilize their enthusiasm in making contributions to building the modernized capital. At the same time, we should give full play to the role of the representative agencies stationed in Beijing of various foreign countries and various regions in order to help expand the scale of opening up and build the capital.

Sixth, we must administer the municipality according to laws to provide a good order for political, economic, and social activities. A modernized city must be a city with a good legal system. The practice over the past several years shows that to guarantee the democratic rights of the people, to promote the prosperity of the capital, to safeguard the stability of the capital, and to provide a good order for political, economic, and social activities, we must actually strengthen the building of the legal system and truly attain the goals that there must be laws for the people to follow, the law must be observed, law enforcement must be strict, and law breakers must be dealt with. Since 1986, when the principle of administering the municipality according to law was set forth, in administering the municipality, the government has begun to gradually change from the practice of depending primarily on such traditional forms as making administrative dispositions, giving guidance based on policies, and conducting propaganda to the practice of combining the dependence on laws, rules, regulations, and systems with administrative dispositions, guidance by policy, and propaganda, thus yielding initial results. In administering the municipality according to law, leaders at all levels must set an example for others and firmly grasp the following four important links. The first link is to accelerate the drawing up of rules, regulations, and systems in order to provide laws for the people to follow, by aiming at promoting reform, opening up, and economic development, and by focusing on improving the management order of urban projects, the order of markets, and the order of society. The second link is strict law enforcement. Only by truly dealing with law breakers can we truly administer the municipality according to law. This is the key to administering the municipality according to law. The third link is the strict

supervision over law enforcement. This is an important guarantee for the government to correctly administer the municipality according to law and to correctly enforce laws. The fourth link is to strengthen the propaganda of laws to make the broad masses of the people understand and observe laws and to take an active part in the modernization drive and the municipal administration. This is the foundation for administering the municipality according to law. In sum, only by firmly implementing the principle of administering the municipality according to law and only by incorporating all the political, economic, and social activities into the orbit of the legal system can we build Beijing into a civilized, prosperous, and modernized international city.

Seventh, we must give priority to building the two infrastructure projects. The first is the building of the urban infrastructure. This is the foundation on which the municipality depends in developing itself and thus must be considered as the most important task. Positive and negative experiences gained in the past several years show that it is better to build the urban infrastructure in an early manner and in a positive manner. Early building economizes the most, and late building leads to grave waste and will certainly hamper the development of the economy and society. The second is cultivation of skilled persons. Fundamentally speaking, scientific and technological progress, economic prosperity, and social development depend on the improvement of labor quality. The improvement of labor quality depends on the degree of educational development and the cultivation of skilled persons. This is not only a basic task of strategic significance but also a special requirement for Beijing, a cultural center. Only when we lay a good foundation for the capital's construction and development will we be able to make good development in other aspects. Therefore, the previous government urged that we firmly attend to the basic construction in these two aspects. This government continues to act according to its capability, tries its best, and concentrates more manpower and financial and material resources to promote the construction in these two aspects. Although the situation in these two aspects has been improved through the efforts made over past years, the work in these regards is still weak. From now on, we should unswervingly attend to the basic construction in these two aspects.

Eighth, we must persist in the principle of "grasping with two hands" and be sure that the two hands are strong. In conducting the socialist modernization, we must take the economic construction as a key link and strive to grasp the improvement of material civilization. Simultaneously, we must never ignore but strengthen the improvement of spiritual civilization. This is an internal requirement for building socialism with Chinese characteristics and is of special significance to Beijing, a political and cultural center. To conduct reform, to open up to the outside world, and conduct modernization, we must have lively democratic activities, perfect legal systems, stable social environments, and vigorously developed scientific, educational, cultural, public health,

and sports projects as well as the social mental outlook of arduously doing pioneering work, being united to wage the struggle, and making selfless contributions. This is not only a major target for reform and construction but also a key guarantee for reform and construction. Therefore, the governments at various levels should constantly persist in the principle of "grasping with two hands." That is, we should grasp reform and opening up with one hand and the struggle against criminal activities with the other, grasp economic construction with one hand and democracy and legal system with the other, and grasp material civilization with one hand and spiritual civilization with the other. Only when we persist in this principle and be sure that the two hands are firm will there be socialism with Chinese characteristics and will Beijing actually be "the first good place."

Ninth, we must persist in the quota management and responsibility system and ensure the fulfillment of all tasks.

The government work must be highly efficient and forceful. There must be a system of definite responsibility for each and every task. We should implement, as soon as possible, all tasks to the letter and ensure obtaining real results. On the contrary, if tasks are not definitely assigned and responsibility is not defined, such bureaucratic practice as shifting responsibility onto others and making false contribution reports will certainly be formed. Over the past years, the municipal government has made division of the tasks covered in the annual national economic and social development plan, as approved by the municipal people's congress session; assigned the divided work to each and every department and each and every individual; and also compiled a "folding notebook." In the course of fulfilling the so-called "folding notebook" project, we have set forth definite requirements and feasible measures and also fixed time limits for the fulfillment of each and every task. We have ensured that there are plans at the beginning of the year, examinations in the middle of the year, and summing-up and acceptance tests at the end of the year. The quota management and responsibility system has been persisted in for nine years since its formulation by the previous government. Practice has shown that we have made good results from the implementation of the system. So, we must continue to persist in it in the future.

Tenth, we must strengthen study and strive to improve the administrative ability of the government at various levels in the new situation. We are in the new developmental stage of reform, opening up, and modernization; are doing what the forerunners did not do; and are pioneering paths that our forerunners did not take. It is urgent that working government personnel, particularly leading cadres, strengthen study. First of all, we should study the basic theory of Marxism and exert peculiar efforts to study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. This theory is the latest achievement in linking Marxism with China's reality and a powerful ideological weapon for

realizing the grand goal of modernization. Through study, we should strengthen our socialist conviction and learn how to use the Marxist stance, viewpoints, and methods to observe and solve problems. Particularly, we should use this theory to break the shackle of traditional concepts and to "change ideas" in the course of changing the highly centralized planned economic system into the socialist market economic system. Meanwhile, we should strive to acquire a knowledge of economics, law, modern science and culture, and advanced scientific management and related professional knowledge. Only by strengthening study can we be able to become a conscious, steadfast, and sober-minded reformer and leader; to see and think clearly, guard against vacillating to the left and then to the right, being cheated, and changing our orientation during the outbreak of political turmoil, the changes of the international situation, the attack of erroneous ideological trends, the confusion caused by some viewpoints that seem to be Marxist but are actually not, and the temporary difficulties and setbacks which we encounter on our road of advance; to correctly analyze problems during the time when new situations, new problems and new features emerge in an endless stream; to grasp the development law, become familiar with our own professions, discuss fewer unprofessional tasks, do fewer unprofessional things, work hard, and create a new situation.

2. The Suggestions on the 1993 Major Tasks

In his report delivered at the 14th CPC Congress, Comrade Jiang Zemin pointed out: To push the great cause of building socialism with Chinese characteristics forward during the 1990's, the fundamental issue involved is to uphold the party's basic line, accelerate reform and opening up, and concentrate energy on pushing economic construction forward. At the same time, we should also strengthen the building of socialist democracy, the legal system, and the spiritual civilization in line with the central task of economic construction, and promote a comprehensive social progress. The seventh Beijing municipal party congress has also clearly defined the Beijing economic and social development fighting objectives and the major principles and policies during the 1990's in line with the reality of Beijing Municipality. We must more consciously study and understand the theory on building socialism with Chinese characteristics, comprehensively implement the guidelines of the 14th CPC Congress and the seventh Beijing municipal party congress, uphold the basic line on "one central task and two basic points," emancipate minds, seek truth from facts, seize the opportunity, accelerate the pace of reform and opening up, and push the capital's modernization to a new stage quicker and better.

The 10-year Program on Beijing Municipality's national economic and social development and the Eighth Five-Year Plan adopted at the fourth session of the ninth municipal people's congress proposed the Beijing municipal development objective during the 1990's. Comrade Deng Xiaoping's important speech made during his inspection tour to south China in early 1992 and the

guidelines of the plenary session of the Political Bureau of the CPC Central Committee have exerted tremendous influence on the broad masses of people across the municipality, indicating that our country's reform, opening up, and socialist modernization cause have entered a new stage. Working hard and entering a new stage have become the main melody of the fifth session of the ninth municipal people's congress. Guided by this situation, the session emphatically pointed out in the "Resolution on the Municipal People's Government Work Report" that we should seize the current favorable opportunity, accelerate the pace of reform and opening up, and concentrate energy on pushing the economic construction forward. In line with the changed situation and the guidelines of the fifth session of the ninth municipal people's congress, and on the basis of making full appraisal, the Beijing municipal party committee and the municipal government have proposed opinions on accelerating reform and opening up and pushing economic construction to a new stage, and suggested efforts be made to readjust the 1990's fighting objective as follows: On the basis of raising economic efficiency, the gross domestic product should increase from an annual progressive rate of 5.5 percent to 9 percent and strive to realize the major targets outlined in the 10-year Program three years ahead of schedule. This is very essential and is absolutely possible to attain. The economic development rate directly affects the success or failure in building socialism with Chinese characteristics. This is not only an economic issue but also a major political issue.

The economy currently is developing very rapidly in some foreign countries and regions as well as in the coastal open areas of China. As the capital of China, Beijing has the ability to develop the economy in an even faster way under the prerequisite of optimizing the structure and improving efficiency. In the 1980's, Beijing's gross domestic product increased at a yearly average rate of 8.8 percent. In the 1990's, along with the constant deepening of reform and with the further expansion of opening up, Beijing has been fully able to further liberate and develop productive forces at a relatively rapid growth rate, in an even wider sphere, and at an even deeper level. The readjustment of the above-mentioned development targets has been submitted to the session for examination and approval. We suggest that the new term of the municipal government draw up specific plans for attaining various targets.

The first year to conscientiously implement the various tasks set forth by the 14th CPC National Congress and by the seventh Beijing municipal party congress is 1993. It is also a critical year to attain the 10-year Program tasks three years ahead of schedule. It is planned that the municipal gross domestic product will register a 9 percent increase in 1993. At the same time, the municipality will promote the all-around development of various social projects, and further improve the living standards of urban and rural people on the basis of promoting economic development and social progress. "Last year

we effected an all-around large-scale development, and this year we should strive to surpass last year's development." For this, we suggest that the new term of the municipal government pay attention to the work in the following seven fields:

First, we should accelerate the pace of reform in line with the demand of building socialist market economic system.

The purpose of China's economic structural reform is to establish the socialist market economic system and to exploit the role of the market as the foundation of resources disposition to further liberate and develop productive forces under the overall regulation and control of the state.

Changing the operational mechanism of enterprises, large and medium-sized state-owned enterprises in particular, is the central link of the establishment of the socialist market economic system. To enable large and medium-sized state-owned enterprises to embark on the market, to make them the legal entities and the main body of market competition that are independent in management, are responsible for their own profits and losses, and are capable of developing and regulating themselves, and to ensure the maintenance and appreciation of state-owned assets, this year we should, in the course of further developing and perfecting the various reform forms to change enterprises' operational mechanism, give prominence to the reforms in the following three aspects: 1) We should continue to conscientiously implement the "Laws on State-Owned Industrial Enterprises" and the "Regulations on Changing the Operational Mechanism of State-Owned Industrial Enterprises." The municipality has already drawn up the implementation methods for the "regulations." After submitting the methods to the State Council for approval, they will be put into effect on a large scale. 2) We should positively, steadily, and appropriately organize enterprise groups, with those enterprises that are high in quality and good in efficiency, as the backbone, and with brand name, special, quality, and new commodities as the head. In organizing such groups, we should break with the barriers between different trades, different departments, different localities, and different ownership systems, and should combine the coordination and guidance by the government with the voluntary participation of enterprises. We should resolutely prevent the case of just "turning over the brand" of administrative companies and the case of withdrawing powers from enterprises by seizing the opportunity of organizing enterprise groups. 3) We should positively promote experiments for the shareholding system in accordance with the regulations and stipulations related to the shareholding system that have been promulgated by the state. We should rapidly draw up Beijing's detailed rules and regulations concerning the experiments for the shareholding system. We should select a number of large and medium-sized enterprises of various categories to try out various forms of the shareholding system and should make successful experiences universal to make

the shareholding system develop in an orderly and sound manner in accordance with the pertinent regulations and stipulations. At the same time, we should vigorously promote the shareholding and cooperation system among township and town enterprises.

In the process of building the socialist market economic system, we must vigorously cultivate and perfect the market system. The building of the consumer goods market and the wholesale market of various categories should develop toward the orientation of being standardized, modernized, and multifunctional. We should run, on a trial basis, the specialized production means transaction centers and futures businesses that link up the whole country and the world. We should take advantage of the numerous favorable conditions of the banking institutions of Beijing to vigorously develop the banking market and develop transregional and transbank money-lending businesses and various kinds of negotiable securities services. We should also cultivate the real estate market. Based on the revised "Beijing Overall Urban Plan," we should formulate unified policies and the standards for profits at different levels; implement the paid transfer of land use rights and land development at different levels; establish as soon as possible the first-level market under the unified management of the government, the second-level market managed by real estate development companies, and the third-level market for the paid transfer by units and individuals without any restrictions; and continue to develop and improve labor and technology markets to promote the rational flow of trained personnel and labor forces and to accelerate the transformation of scientific and technological achievements. Meanwhile, we should make active efforts to build the markets for information, consultation, leasing, auction, and pawning services. While accelerating the construction of the market networks, we should improve the legal systems for market management, deal resolute blows to the production and marketing of fake and inferior products and other law breaches, promote and protect fair competition, and establish a good market order. Price reform is the key to market development and economic structural reform. Based on the ability of various fields to withstand the strains, we should expedite this reform and gradually establish a price mechanism under which prices are formed mainly through the market.

To comply with the socialist market economy system, we should promote the reform of the administrative system in an active and orderly manner and conscientiously change the government functions. Based on the reform targets and unified arrangements stipulated by the central authorities, the focus of this year's organizational reform are as follows: 1) We should continue to simplify administration, delegate power to lower levels, and change functions. We should further reform the administrative systems of planning and investment, pricing, finance, monetary, labor, and other specialized departments. Departments in charge of overall economic management should shift their work focus to strengthening

overall guidance, regulation, and control. We should strengthen auditing and economic supervision, improve the supervision of technology and the legal system for administration, and then gradually establish an overall regulating and controlling system centered on improving economic efficiency and based on input and output. 2) We should disband and merge some specialized management departments and the organizations whose functions are overlapping or similar, reduce the number of nonpermanent organizations, and, after doing a good job in fixing personnel quotas, reduce office personnel in an active and prudent manner. 3) We should reform the personnel system related to cadres and experiment with the state's public servant system in an active and yet prudent manner.

We should also promote the reform of other fields. While keeping public ownership predominant, we should continue to encourage the development of the individual and private economies. We should deepen the rural economic reform and work out managerial methods based on local conditions, local development of productive forces, and peasants' will. We should further improve and develop the optimal-scale management that is based mainly on the collective economy and combines collective management with independent management and the household-based and output-related contract responsibility system. We should actively promote the management system that integrates agricultural, industrial, commercial, and technological development and that makes production, supply, processing, and marketing a coordinated process. In line with the principle that burdens are shared reasonably by the state, the collective, and workers, we should establish the social security system more rapidly, with the focus on reforming and improving the unemployment, pension, labor, and free medical insurance systems. We should continue to facilitate housing reform. We should gradually establish the housing foundation system of units and the system for individual workers to accumulate money for housing. We should continue to sell public houses and achieve success in the reform of rents and in cooperative housing construction with raised funds. We should actively explore and facilitate the reform of the systems of education, science and technology, culture, public health, and sports.

Second, we should seize the opportunity to open wider to the outside world in all directions and at various levels.

Opening wider to the outside world is urgently needed in our effort to accelerate economic and social development and establish the socialist market economy system. We should make the best of the current favorable domestic and international situations and the various favorable conditions of the capital to create a new situation in opening to the outside world.

Bringing in foreign capital and vigorously running three types of foreign-funded enterprises is a key point in opening Beijing to the outside world. In a sense, bringing in foreign capital is bringing in productive forces. We

must not lose this opportunity because good opportunities do not come easily. According to the capital's special characteristics and the orientation for readjusting the production structure, we should vigorously bring in and use foreign capital. To more widely mobilize the enthusiasm of all fronts and to bring the capital's potential into better play, we should pay equal attention to both urban and rural areas; large, medium-sized, and small projects; and new high technology projects and labor intensive projects. Simultaneously, in line with the construction of development areas, the development of new high technology industries, and the renovation of the traditional industries, we should concentrate energy on developing a group of large-scale projects with high starting points. We should strive to avoid building and importing low-quality duplicate projects. We should attract increasingly more foreign capital to develop foreign exchange earning agriculture; run, on a trial and cooperative basis, commercial, communications, information, consultation, banking, and real estate enterprises; and strive to use foreign capital to develop infrastructural facilities. We should ceaselessly improve the investment environment, conscientiously solve the difficulties and problems occurring in the course of developing three types of foreign-funded enterprises, pay particular attention to working out and perfecting relevant rules and regulations, and carry out in coordination the international conventions so as to offer investors with full legal guarantees and to ceaselessly help three types of foreign-funded enterprises increase economic results.

Concentrating energy on developing various types of development zones and small industrial zones is not only a demand for promoting the current economic development but also a measure for cultivating the reserve strength for the capital's economic development. We should speed up the construction of the Shangdi information industrial base and the Fengtai and Changping scientific and technological park zones, located in the Beijing new technological industrial development experimental zone; and also complete the construction of the infrastructural facilities for the new projects covered in the Beijing economic and technological development zone so as to ensure that investors will smoothly make investment and the projects will open and go into operation as soon as possible. Other development zones and small industrial areas should firmly attend to the formulation of detailed plans so as to promote development and construction in a step-by-step manner. Various types of development zones and small industrial areas should vigorously attract foreign capital, exert efforts to run well the existing three types of foreign-funded enterprises, and increase exports and economic results. We should cancel the contracts on those projects whose capital has not been put in place. We should strive to create a fine investment environment for various types of development zones and small industrial areas in the next two years so that we will be able to concentrate both domestic and foreign capital, technology, and skilled persons. We should promote the economic development of the whole municipality.

We should develop pluralistic foreign trade and expand the export of commodities and laborers. According to the requirements for carrying out the socialist market economic system and the socialist market economic operational mechanism and entering the international market, we should further reform the foreign trade management system. We should strive to gradually shift the focus of management from monopoly, unitary, decentralized, and close-typed management to decontrolled management and diversified management and finally to management characterized by collectivization and internationalization; to shift the focus from only creating foreign exchange, giving no thought to profits or losses, and mainly relying on cheap commodities to taking the economic results as a key link and mainly relying on commodities with high additional value; and to shift the focus from mainly relying on a small number of markets to pioneering pluralistic markets. Simultaneously, we should vigorously develop nongovernmental trade and adopt various forms to conduct trade and foreign trade activities along the coastal areas, rivers, and border areas of our country. We should strive to optimize the export commodity structure, and try every possible means to export increasingly more intensive processed commodities, the commodities with high additional value, and sets of large equipment. This year, the municipality should strive to increase its foreign exchange earnings from foreign export trade by 11.3 percent. Enterprises are encouraged to open various channels to run overseas enterprises. We should support the large enterprises with strength to develop themselves into transnational companies. Construction enterprises should further pioneer overseas construction markets and positively develop contracted projects. All trades and professions are allowed to conduct relevant labor service cooperation.

We should continue to develop friendship ties with the capitals of foreign countries and foreign large cities. We should further expand the contacts with international friendly cities; concentrate energy on developing friendly contacts with neighboring countries and the capitals and large cities of the countries in the Third World; further develop the contacts with Taiwan, Hong Kong, and Macao; strive to establish more cooperative ties with foreign countries; and serve the economic construction and social development of the motherland and the capital.

Third, we should continue to accelerate the readjustment of economic structure and further develop the productive forces.

In order to develop the national economy at a fairly high rate and to make it enter a new stage, we must further readjust the agricultural structure. Beijing is a "big city with small suburban areas." It still needs, however, to persist in taking agriculture as a foundation and making the urban areas vigorously support the rural areas; urge all trades and professions to actively support agriculture; continue to improve the production conditions; and strive to raise the agricultural modernization level. The

secondary industry has occupied a very important position in the development of the national economy. We should continue to optimize its structure, speed up technological transformation, raise the overall quality, and strengthen the momentum. The level of development of tertiary industry is one of the important indications for judging the urban modernization level. We should give prominence to developing the tertiary industry in the course of readjusting the structure, support it in various aspects, and make its growth rate higher than those of the primary and secondary industries in an effort to better promote the development of the primary and secondary industries. In the development of all industries, we must rely on scientific and technological progress and enable high and new technology and the high and new technology industries to become a leading and important factor of increase during national economic development. In 1993, the primary industrial growth should be 3.2 percent, the secondary industrial growth should be 9.3 percent, and the tertiary industrial growth should be 10 percent. Of this, the proportion of tertiary industry to the total value of gross domestic products of the whole municipality should reach 45.4 percent.

The rural areas should continue to implement the principle of "serving the capital, gearing to the needs of the whole country, marching towards the world, making the rural areas prosperous, and building a socialist modernized new countryside." Guided by the market, we should persist in developing agriculture through science and education; actively readjust the internal structures of agriculture, forestry, animal husbandry, sideline occupations, and fisheries; and follow the path of developing a type of farming that provides high yield of fine quality with maximum efficiency. Governments at all levels should not slacken their efforts in grain production. They should firmly grasp the per unit area yield, stabilize the total output, gradually readjust the planting structure and the planting pattern, raise the quality of commodities, and strive to increase efficiency. It is necessary to gradually expand the agricultural economic development zones; bring in funds and technology; develop the intensive processing of agricultural and sideline products; accelerate the development and production of brand name, special, quality, new, and value-added products; and develop a type of farming that can create foreign exchange. In line with the principle of "expanding the degree of opening up, grasping readjustment, increasing efficiency, and promoting development," we should continue to vigorously and rationally develop township enterprises, appropriately concentrate them on certain areas, strengthen operation and management, and raise their labor productivity and economic efficiency. Continued efforts should be made to increase agricultural input, readjust the money supply structure, and give priority to supporting the development of business organizations that integrate foreign trade with industry and agriculture and the building of bases for processing, storing, keeping fresh, and transporting agricultural

products, and for breeding fine strains. We should conscientiously organize efforts to implement the "project on making the mountainous areas rich," rationally develop and use mountain resources, carry out intensive processing of farm and sideline products, and develop the export-oriented economy. It is necessary to treasure and protect the land, resolutely check misappropriation of cultivated land, and realistically safeguard the interests of peasants.

In line with market demands, we should actively readjust the industrial structure, concentrate efforts on grasping the development of key projects including the high technological, the high value-added, the highly efficient, the low energy and water consuming, and low-pollution industries and products. We should step up efforts to carry out the large-scale integrated circuit project of Shoudu Iron and Steel Company, the second-phase Matsushita color kinescope project, the 115,000-ton ethylene project, the light vehicle expansion project, and the Beijing cement plant project. In line with the principle of optimizing the disposition of natural resources, we should continue to readjust the organizational structure of enterprises, resolutely order enterprises with no hope of ending deficits to close down, to suspend operation, to amalgamate with other enterprises, or to switch to the manufacture of other products; and make an early decision to order enterprises that incur no deficits but create very low profits to merge with other enterprises and to switch to the manufacture of other products. We should be determined to accelerate the readjustment of the product mix, update and upgrade products, and eliminate backward products within a set period of time; accelerate technological transformation and technological progress; and try by all possible means to raise the quality of commodities, reduce cost, and strengthen their competitive capacity.

We should continue the principle of "buying and selling the goods from all over the country, encouraging the entire country to establish markets and to sell the goods of Beijing, keeping the entire country in view, and marching toward the world" when developing commerce and service trades. Beijing's commodity retail sales are expected to increase by 16 percent in 1993 and to exceed 50 billion yuan. In line with the principle of unified planning and rational layout, we should renovate the original key commercial streets in a planned manner, build new and modernized commercial streets while renovating the old city areas and improving traffic, and strive to build 10 large or medium-sized modern commercial facilities that provide multiple services. We should develop the service trades that make people's life more convenient, continuously expand their service scope, and, at the same time, fully tap the potential of the current commercial and service units. We should further develop tourist resources and build tourist development zones and historic and cultural scenic spots according to established priorities. We should accelerate the development and production of tourist commodities, provide

good tourist service, continue to encourage the establishment of tourist facilities overseas, and build transnational hotel groups. We should strive to make this year's number of overseas tourists and the foreign exchange earnings from tourism exceed those of 1992. In developing the tertiary industry, we should continue the simultaneous development of state, collective, individual, and private ownerships; pool the efforts of all people at home or abroad; and enable those who invest to possess ownership rights and gain benefits. We should encourage the surplus personnel in the primary and secondary industries to enter the tertiary industry. Some enterprises may shift to the tertiary industry as a whole. Meanwhile, we should encourage domestic and foreigners to invest in Beijing's tertiary industry.

Fourth, we should conscientiously implement the revised "Beijing overall urban plan," strengthen urban management, and make the capital more modern.

The revised overall plan is the development and supplement of the plan approved by the CPC Central Committee and the State Council in 1983. After summarizing the construction of the past 10 years, the urban scope and layout were adjusted in line with the new situation in the economic and social development of the capital and the requirement for developing the socialist market economy and opening to the outside world in all directions. Beijing's functions as a political and cultural center of the country and the center for international exchanges were made more prominent, and new targets were defined for its economic prosperity and social development. The plan is the general blueprint for the construction of the capital for the next 20 years. According to the new overall plan, we should continue to accelerate the development and construction of the southern part of the city and, in the meantime, gradually shift the strategic focus of Beijing's urban construction from the city proper to suburban areas and from expansion by starting new construction projects for the adjustment and renovation of the existing projects beginning this year. We should make continuous and great efforts to improve the quality of the city as a whole and the environment, promote the coordinated development of urban and rural areas, and create all necessary conditions for bidding for hosting the 2000 Olympic Games. When the revised "Beijing overall urban plan" is approved by the State Council, we should greatly publicize it, actively organize cadres and the masses, especially leading cadres, to conscientiously study it, and resolutely implement it of our own accord.

Roads, post and telecommunications facilities, water, electricity, gas, and heat supply facilities, and other infrastructural facilities should be developed on a priority basis because they have a direct bearing on whether economic development can be accelerated, whether the city can become more modern, and whether living standards can be improved. This year, we should further improve the second ring road, renovate the third ring road more rapidly, and complete construction of the expressway to Shoudu Airport and the Beijing section of

the Beijing-Shijiazhuang Expressway. We should also plan the construction of the fourth ring road, start construction of the Beijing West Railway Station, step up construction of the subway from Fuxingmen to Bawangfen and the expansion of the airport, and build a number of small and medium-sized supporting roads in a planned manner. We should further expand the telephone exchange capacity to 1.01 million lines by the end of this year, up 200,000 lines from last year. We should continue to build the second-stage project of the No. 9 water plant, the project of the Gaobeidian Sewage Treatment Plant, and the project of the second natural gas transmission pipelines from Huabei Oil Field to Beijing. We should rapidly prepare for the project of transmitting natural gas from the north part of Shaanxi Province to Beijing. In the course of continuously harnessing and developing Chaobai River, we should begin to harness the Yongding River in order to put these two harmful rivers under control once and for all and turn bane into boon. In addition, we should rapidly build the Xishuiyu Reservoir in Huairou County and prepare for the building of the Chenjiazhuang Reservoir in Mentougou. At present, the power shortage has already become a "bottleneck" which hampers the development of the economy and has brought inconvenience to the daily life of the people. For this reason, we must adopt effective measures to accelerate the building of Shisanling water pumping and energy storage power station and Gaobeidian Thermal Power Plant. At the same time, we should bring into play the initiative of all fields to create the form of raising funds from diverse fields and encouraging diverse fields to run power plants jointly. We should promote the paid utilization and enterprise-oriented management of basic facilities, strengthen the maintenance and management of existing basic facilities, remove hidden perils from basic facilities, and pay equal attention to development and to economizing the building of such facilities.

In line with the principle of combining the development of new zones with the rebuilding of old towns, we should accelerate the building of residences and public facilities in addition to giving consideration to the demands for developing the tertiary industry. This year, the municipality plans to build or rebuild 30 million square meters of houses in urban areas, of which, 11 million square meters will be completed. The residences whose construction is completed should not be under 5 million square meters, the dangerous old houses which are under rebuilding, building, and renovation should reach 2.6 million square meters, and the dangerous old houses whose construction is completed should reach 800,000 square meters. The building of the newly developed residential zones, particularly the building of the houses for relocated people, is the key to the question whether the building of basic facilities in urban areas and the rebuilding of old towns can be accelerated, and thus it must be regarded as the focal point of house construction. In urban construction, we should persistently combine the enhancement of the modernization level with the protection of ancient capitals, should reasonably

readjust the function of using the land, should perfect the daily use subsidiary facilities, and should pay attention to the reasonable utilization of underground space. By continuously implementing the principle of "grasping urban and rural areas simultaneously," we should strengthen the building of county towns, satellite towns, and small market towns. In building houses and various facilities, we should actually strengthen the quality control and supervision.

In building and managing urban and rural areas, we should continue to combine environmental benefits with social and economic benefits to improve the quality of the environment. Making the environment green and beautiful is a major means to protect and create a beautiful environment. We should conscientiously implement the "Regulations on Making Cities Green." In urban districts, we should persist in the principle of "building scattered blocks," and formulate and adopt necessary economic policies to gradually make the isolated areas green. We should continue to encourage all the people to afforest the land and plant trees on a voluntary basis. Vigorously building forests on a large scale is the focus of making the overall environment green. We should begin building 5,000 mu of forests this year. We should continue to grasp the maintenance, protection, and management of green plots in urban areas. We should vigorously develop forestry and flower production by regarding them as the trades with bright prospects in order to satisfy the demands of the social and economic development and the masses' demands for making their environment and residences beautiful. We should also make great efforts to broaden flower markets at home and abroad. We should continue to exert great efforts in controlling atmospheric pollution and the pollution caused by sewage, garbage, and noise. We should actually protect the source of drinking water, and pay attention to the comprehensive development and utilization of waste materials. We should resolutely control the total discharge of pollutants among enterprises. We should further strengthen the management of the appearance, environment, and sanitation of urban areas; accelerate the building and rebuilding of public toilets; actively carry out experiments for the method of collecting people's garbage based on different categories; and enhance the capacity for cleaning roads and streets and the capacity for removing garbage.

Fifth, we should accelerate scientific and technological progress, actively develop education, and create conditions and accumulate momentum for the capital's economic and social development.

Science and technology are the primary productive forces. To invigorate the economy, we must first invigorate science and technology. We should deepen the reform of the scientific and technological system, improve the "three guarantees and one link-up" scientific and technological contracted management responsibility system, and continue to promote the all-member employment and the unemployment insurance systems;

and promote personnel transfer and structural readjustment in line with the pattern of "implementing two systems in one institute" in an effort to induce an overall change in academics and institutes. We should consider cultivating and developing high and new technology industries as one of the central tasks of promoting the idea that science and technology are the primary productive forces and we should grasp it well. It is necessary to comprehensively develop high and new technology and to recognize new and high technological products in the municipality; actively and successively build the new technology development experimental zones; actively bring in foreign capital and high and new technological findings from institutions, colleges, and universities; develop science-industry-foreign trade and jointly funded enterprises, and enable them to maintain a fairly high annual growth rate; strengthen the building of high technology laboratories and carry out experiments on industrializing the high and new technological findings and turn them into projects, and combine them with the existing industrial enterprises or with new technology enterprises; and strive to make international scientific and technological cooperation and exchange and the introduction of intellectual resources serve the cultivation and development of high and new technology industries. Continued efforts should be made to implement all sorts of leading scientific and technological plans, organize and induce scientific and technological forces to enter the main battlefield of economic construction, actively carry out the export of scientific and technological labor services and export of technology, actively advance science popularization work, further enhance the science and technology awareness of all the people, invigorate and develop philosophy and social sciences, guarantee academic freedom, support and induce social sciences workers to go deeply into reality to study the new situations and to solve new problems, continue to increase scientific and technological input, give greater emphasis to science and technology in terms of policy and work, and improve the economic environment for scientific and technological progress.

Education is the fundamental importance to the fulfillment of our great long-term mission. We should continue to attach strategic importance to educational development, further increase educational input, persist in doing practical things for education, further optimize the educational structure, realistically strengthen elementary education, strive to initially attain the basic standard of carrying out nine-year compulsory education in the urban and rural areas across the municipality, and lay a foundation for popularizing senior and junior middle school education in the municipality by the end of this century; actively develop all sorts of vocational and technical education as well adult education, and encourage the people to become competent through self-education; accelerate the pace of readjusting the layout of municipal institutions of higher learning and special courses and give special attention to running teachers' training schools; and continue to run preschool education and special education well. All sorts of schools

at all levels should comprehensively implement the party's educational principle, strengthen the building of teacher contingents, deepen educational and teaching reforms, and comprehensively raise the educational quality. In accelerating the capital's educational development, we must deepen and improve the reform of internal management systems of schools, actively explore ways to reform the educational management system, and gradually improve the method of making the state assume full responsibility for running schools. Continued efforts should be made to expand the decisionmaking power of institutions of higher learning in doing school work, and enable them to realistically become independent management entities. The municipal institutions of higher learning and all sorts of vocational and technical schools may appropriately expand the ratio of enrolling above-quota students who can pay their own schooling expenses. Meanwhile, we should raise educational funds through various channels, actively develop school-run industries, carry out scientific and technological development and social service, and encourage the social sector to donate funds for schools or to run nongovernmental schools.

We should fully recognize the important status and role of intellectuals in the capital's modernization construction and further form a good atmosphere in which all people in society respect knowledge and personnel. Governments at all levels and their subordinate departments should adopt practical and effective policies and measures to unceasingly improve conditions for the work, study, and life of intellectuals. It is necessary to give handsome awards to intellectuals who make outstanding contributions, and to gradually standardize the award system. The municipal government has seriously announced that all personnel studying and working abroad are heartily welcomed if they are willing to participate in the capital's socialist construction. The government will actively provide conveniences for them and enable them to have places to display their talents. The government will continue to implement the policy of allowing them to come and leave the country freely.

Sixth, we should accelerate cultural, public health, and sports reform and facilitate the comprehensive prosperity and progress of society.

In cultural undertakings, we should adhere to the orientation of "serving the people and serving socialism" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend"; greatly advocate the outstanding culture of the Chinese nation; have the courage and ability to absorb the outstanding culture from abroad; and fully boost the enthusiasm and creativity of the vast number of literary and art workers so that they will create more and better art works that reflect national style and characteristics of this era. We should greatly expand the mass cultural undertakings and achieve success in developing the cultural activities in communities, towns and townships, enterprises, and campuses. We should fully use and further develop libraries, museums, exhibition centers, archives, and

cultural stations and greatly promote the cultural market. Mass media, such as press, publication, radio, and television departments, should persistently give correct guidance to the building of the two civilizations, expand their coverage, increase their information, create new content and new styles, and improve quality continuously. We should conscientiously enforce the state "Law on Protection of Cultural Relics" and comprehensively implement all protective measures. After this, we should further clear the channels for the circulation of cultural relics, lift controls on cultural relics markets in a planned and orderly manner, encourage people from all walks of life to invest in the development of cultural relics, and create more favorable conditions for it so that our overall advantages as a famous historical and cultural city can be better developed. We should further reform the system for the administration of cultural work, give literary and art units more autonomy, and establish a competitive mechanism that reflects the characteristics of our own units and helps score achievements and develop personnel. We should implement the economic policies that are more favorable to making cultural undertakings flourish. We should lift restrictions on the business scope of the units producing cultural goods and allow them to go beyond their trades to produce and sell culture-related products. Various departments of society may adopt various measures, such as drawing in foreign funds, to develop cultural industries and cultural undertakings and to make sure that "cultural undertakings are supported by cultural industries and assisted by various trades." We should explore cultural units' new sphere in opening to the outside world and carry out more extensive cultural exchanges and cooperation with the world.

In public health, we should continue the principle of putting prevention first and should strengthen prevention and health care. We should launch more extensively and thoroughly the patriotic public health campaign for "building a clean city and fly-free city of the country." We should attach importance to the education concerning health and continue to control the incidence of diseases, especially the incidence of epidemic diseases. We should greatly publicize and encourage no smoking in public places. We should attach importance to rural health work, further consolidate and improve the three-level medical networks, adopt effective measures to improve conditions, stabilize the contingents, and improve their quality. We should facilitate reform of the personnel, labor, and distribution systems of medical service and public health departments and establish a competition mechanism that helps develop the advantages in personnel, technology, and equipment and that helps improve medical treatment and service.

This year is the key year in our effort to bid for hosting the 2000 Olympic Games. Beijing's bidding for hosting the 2000 Olympic Games is a major measure for China to deepen reform and open wider to the outside world. The central authorities have shown concern and support for it, and the people of various nationalities throughout

the country and Overseas Chinese have supported it. The International Olympic Committee will send personnel to inspect Beijing's sports facilities and social environment in March this year and will officially vote on 23 September to decide on the city that will host the 2000 Olympic Games. The work to bid for hosting the Olympic Games has entered a decisive stage. It is hoped that cadres and the masses in the municipality, in the Olympic spirit that "participation is what is important" and the indomitable spirit to be "faster, higher, and stronger," will strive to perform their own work well and make concerted efforts to succeed in the bidding. If we win the approval of the International Olympic Committee, we will do our best to strictly meet the demands of the International Olympic Committee. The seventh national games will be held in Beijing this year. We should make good preparations for it and, seizing this opportunity, improve the athletic level of the contingents of specialized athletes and promote mass sports activities.

Seventh, we should further strengthen the improvement of socialist spiritual civilization and the establishment of democracy and the legal system.

Reform, opening up, and modernization have forcefully pushed the people of all nationalities throughout the municipality to emancipate the mind, widen the field of vision, turn in the direction of the world, step toward the future, and mobilize the spirit of making unremitted efforts and working arduously; and also set higher demands on the improvement of spiritual civilization and the establishment of democracy and the legal system. To build socialism with Chinese characteristics, we must achieve the improvement of spiritual and material civilizations, the implementation of the reform and opening-up policy, and the construction of democracy and the legal system.

To improve spiritual civilization, we must take the economic construction as a key link and offer powerful spiritual motivation and intellectual support to economic construction, reform, and opening up. This year, the capital should focus the improvement of spiritual civilization on the following few points. First, we should organize the broad masses of cadres and people across the municipality to conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and Comrade Jiang Zemin's report at the 14th CPC Congress; continue to deeply conduct the education on the party's basic line, patriotism, collectivism, socialism, the situation of the country, the situation of the municipality, the enhancement of the national defense awareness, arduous struggle, and the building of the country through thrift and diligence; inherit and carry forward the Chinese nation's excellent morality and culture; vigorously commend the models with the mental outlook of the times; foster accurate ideals, beliefs, outlook on life, and the law of value; and resist the influence of capitalist and feudalist corrosive ideas. Second, we should continue to deeply conduct the activities of "being civilized citizens and civilized units

and building civilized cities." We should conduct the activities of soldiers, policemen, and civilians jointly building spiritual civilization and creating civilized living areas so as to popularize the spiritual civilization among urban and rural areas and the grass roots. Third, in line with the work of applying for the convocation of the Olympic Games, we should unswervingly conduct education on having ideals, morality, knowledge, and a sense of discipline among the people; extensively launch the activities of learning from Lei Feng at our posts and fostering new good practices within trades"; ceaselessly improve society's public morality and vocational ethics; and enhance the awareness of abiding by laws and discipline. We should overcome and resist some foolish, backward, and uncivilized habits that still exist in society and resolutely wage struggles for the national and personal dignity. The work of the capital, particularly the work quality, service attitude, and vocational ethics levels of commerce, service trades, banks, the tourist trade, the postal and telecommunications industry, the public transportation industry, medical and public health departments, municipal engineering departments, and the environmental sanitation trade, is directly related to the prestige of the capital and the image of the country. We believe that the broad masses of cadres and people who are directly engaged in the service work should further foster the spirit of making selfless contributions and the thinking of serving the people and holding themselves responsible to the people; prudently and diligently do their duty; and enthusiastically provide good service to add brilliance to the capital.

Democracy and legal system must be built closely in line with the central link of economic construction. We should create a fine political social environment for reform, opening up, and modernization. The governments at various levels should consciously hold sessions and report their work to the people's congresses and their standing committees; accept the examinations and supervision by the people's congresses and their standing committees and deputies; and bring into full play the CPPCC organizations, democratic parties, nonparty personages, and people's organizations' supervisory role and functions for participating in the political affairs. It is necessary to perfect the advisory and supervisory system for the major policy decisions of the governments. The relevant departments under the governments should continue to invite various types of supervisory personnel from personages of all social circles. We should continue to conscientiously implement the policies on nationalities and religions and further strengthen the contacts with the personages of all circles, compatriots in Taiwan, Hong Kong, and Macao, and Overseas Chinese. We should conscientiously receive visitors and handle incoming letters from the people; extensively listen to various opinions, suggestions, and criticism from all fronts of society; and mobilize all positive factors to promote the capital's modernization. We should pay high attention to the staff and workers congresses, neighborhood committees, and villages'

committees' positions and functions in building democracy at the grass roots; positively support them in carrying out their work; and ensure that the masses have the right to the legal management of political, economic, and social affairs.

We should continue to run the municipality in line with law. In a certain sense, the market economy is a legal economy. We should strengthen the formulation of laws, rules, regulations, and systems in accordance with the development of the socialist market economy; conscientiously clear up the laws, rules, and regulations in force and put forward suggestions for revising or abolishing some unsuitable parts; boldly absorb and take for reference the valuable parts in the management laws and regulations and the effective methods of other countries and cities; and gradually perfect and improve the laws, regulations, and systems for managing the economy and modern cities. Meanwhile, we must strengthen the enforcement of administrative law as well as the law enforcement and supervision work; strengthen lawyer work and the building of lawyer contingents; safeguard the sanctity of laws, regulations, and rules; and provide legal guarantee and legal service for developing the socialist market economy and accelerating reform, opening up, and modernization. In line with the second five-year law popularization plan, we should actively conduct propaganda and educational activities with the Constitution as the nucleus and other special laws as an emphasis and further raise the sense of the legal system of all the people.

We should continue to implement the central principle on "giving simultaneous attention to dealing blows to and guarding against criminals, adopting both temporary and radical measures, and laying stress on radical measures"; further strengthen the comprehensive improvement of social security; strictly attack the sabotage activities carried out by hostile elements and all sorts of serious criminal offenses and serious economic criminal activities; continue to launch struggles in "antipornography" work and eliminating "six vices"; promote healthy tendencies; and protect the people. It is necessary to realistically strengthen the building and reform of the public security, state security, and judicial departments; increase working funds for them; and improve their equipment and facilities. We should strive to raise the political and professional quality of public security cadres and policemen as well as law enforcement personnel, and give full play to their functional role in consolidating the people's democratic dictatorship and in strengthening all sorts of management and services.

The unceasing development and the increasing expansion of opening up in the municipality have set forth new demands on Beijing's population management. On the basis of further improving the original administrative and management measures, we should actively test the population management method of integrating administrative means with legal and economic means. We should continue to conscientiously implement the "Beijing Municipal Family Planning Regulations," persist in

focusing the work on the rural areas, strengthen management over the family planning work of the population, particularly the transient population, continue to strictly control the increase in the number of people who move their domicile to the municipality, and strengthen management over the incoming population.

We should realistically strengthen the building of clean governments, continue to persist in implementing the system of "undertaking public work procedures and work results and placing ourselves under mass supervision," resolutely check unhealthy trends in various trades, strictly punish corrupt people, persistently carry out anticorruption struggle, and produce expected results in every stage of work. Government functionaries should conscientiously study and have a good command of all sorts of laws and regulations and enhance their awareness in performing their work in line with the law. Leading organs and leading cadres must be self-disciplined, perform their official work selflessly, be faithful to their jobs, and improve their work style. We must call to account those who seriously practice bureaucracy and neglect their duties; and strictly punish those who are guilty of malfeasance, who refuse to strictly enforce orders and prohibitions and who violate laws and discipline.

Fellow deputies, an encouraging scene has emerged in the capital's socialist modernization construction. The people of various nationalities across the municipality are full of hope and confidence in building socialism with Chinese characteristics. We should rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, work with one heart and one mind under the leadership of the Beijing municipal party committee, work hard, struggle arduously, advance in a pioneering spirit, and strive to fulfill the historical tasks proposed by the 14th CPC Congress, realize the fighting objective put forward by the seventh Beijing municipal party congress, implement all resolutions raised by the municipal people's congress, and build the capital into a prosperous, socialist and modernized city.

Beijing's Chen Xitong on Hosting Olympics

SK2603101093 Beijing BEIJING RIBAO in Chinese
2 Mar 93 p 1

[By reporters An Wei (1344 0251) and Liu Zhengfei (0491 2973 7236): "Leaders Divided Into Seven Groups To Conduct Large-Scale Inspection"]

[Excerpts] Leading comrades of the municipal party committee, people's congress standing committee, government, committee of the Chinese People's Political Consultative Conference, and discipline inspection commission divided themselves into seven groups to conduct large-scale inspection in the municipality on the afternoon of 1 March. In this way, they have created an upsurge in the activities to learn from Lei Feng, to achieve excellence in three aspects, to usher in the "two

sessions," and to win the bid for hosting the Olympic Games, and they have promoted all fields of work of the municipality.

Before the groups departed, Chen Xitong, secretary of the municipal party committee, gave a speech. He said: The large-scale inspection is a large-scale activity to usher in the "two sessions" and win the bid for hosting the Olympic Games carried out after the reshuffle of several leading bodies. The work to bid for the right to host the Olympic Games has entered a crucial period. We should have a firm determination and confidence to make all fields of work successful. We should not only concentrate on this work in certain periods but also conduct it on a regular basis. We should consolidate the achievements in this work in the process of our day-to-day work. We should commend those who have done a good job, criticize, expose, and punish those who have done a poor job, and order them to make improvements within a definite time. [passage omitted]

Chen Xitong, Duan Bingren, He Luli, Huang Jicheng, and Wan Siquan inspected East Changan Street, the road to the airport, the Beijing international telecommunications bureau, and the waiting hall of the Shoudu Airport. Roads were decorated with many posters, streamers, and placards on bidding for the right to host the Olympic Games. Chen Xitong said that the posters on large public buildings should have various contents written in both Chinese and eye-catching English to fully reflect the strong desire of China's more than 1.1 billion people to host the Olympic Games. When he saw the litter at the southeast and northeast corners of the Workers' Stadium and no posters on its east gate, Chen Xitong criticized the stadium's poor sanitation and lack of enthusiasm for the Olympic Games bid. The Beijing international telecommunications bureau was clean and neat, and the waiting hall of the Shoudu Airport was filled with a warm atmosphere and decorated with colorful flags and posters printed with the emblems the Olympic Games and the Beijing Bid Committee for the 2000 Olympic Games. Chen Xitong and others expressed satisfaction with these two units for their earnest and full preparations. They also put forward some specific demands. [passage omitted]

Beijing's Chen Xitong Attends Cadre Meeting

SK2603104393 Beijing BEIJING RIBAO in Chinese
14 Mar 93 p 1

[By reporter Sun Yushan (1327 3768 1472): "Relay and Implement the Guidelines of the Second Plenary Session of the 14th CPC Central Committee"]

[Text] Yesterday, the municipal party committee held a meeting of party-member leading cadres of districts, counties, and bureaus to relay and implement the guidelines of the Second Plenary Session of the 14th CPC Central Committee.

Chen Xitong, secretary of the municipal party committee, presided over the meeting. Wang Jialiu, deputy

secretary of the municipal party committee, relayed General Secretary Jiang Zemin's important speech given at the Second Plenary Session of the 14th CPC Central Committee and the guidelines of the relevant documents.

In his speech, Chen Xitong stressed: We should conscientiously and comprehensively implement the guidelines of the Second Plenary Session of the 14th CPC Central Committee; seize the favorable opportunities at home and abroad; and accelerate the pace of reform, opening up, and modernization. Beijing has many favorable conditions for accelerating economic development. Its economic development should be carried out in a quicker and better manner. The crucial issue is to seize the opportunity and not to lose the opportunity because it knocks but once. We should deepen reform, expand the scale of opening up, expand the degree of reform, and actively introduce foreign capital. Meanwhile, we should tackle the weak aspects in Beijing's economic development as quickly as possible and enable the economy to develop soundly and smoothly.

Chen Xitong said: We should continue to do a good job in learning from Lei Feng, create quality products, preferential prices, and quality service; strive to host the Olympic Games; greet the convocation of the "two sessions"; and do a good job in receiving the participants to the "two sessions" with a beautiful environment, good order, and quality service.

Party-member leading cadres of various districts, counties, bureaus, and institutions of higher learning, a total of more than 400 people, attended the meeting.

Chen Xitong Addresses Beijing Work Conference

SK2603104493 Beijing BEIJING RIBAO in Chinese
3 Mar 93 p 1

[By reporters Fan Sancheng (5400 0005 2052) and Wang Yonghua (3769 3057 5478): "Beijing Municipal Rural Work Conference Puts Forward New Idea of Surpassing Last Year"]

[Excerpts] The 1993 Beijing Municipal rural work conference was held on 2 March. The main theme of the conference was "continuing to emancipate the mind, accelerating reform and opening up, and bringing the rural economy in suburban areas to a new level." Leaders of the municipal party committee, people's congress standing committee, government, and committee of the Chinese People's Political Consultative Conference, including Chen Xitong, Li Qiyan, Zhang Jianmin, and Wang Daming, attended.

Wang Chaoshi, Standing Committee member of the municipal party committee and secretary of the agricultural and industrial committee of the municipal party committee, presided over the conference.

Vice Mayor Duan Qiang gave a work report. After citing the 1992 achievements in the agriculture and rural work

of suburban areas, he pointed out that currently the most crucial task was to bring the economic development of suburban areas to a new level in three years. He introduced the five aspects of the endeavor to reach a new level. 1) We should achieve a high-speed economic development and make the gross domestic product of rural areas increase by more than 15 percent every year; 2) we should notably upgrade the quality of the economy as a whole and greatly improve the production setup, technology and equipment, product quality, and economic efficiency; 3) we should open up the economy in an all-around manner and substantially increase the proportion of the export-oriented economy; 4) we should take a decisive step in the transfer to the socialist market economy system and achieve a breakthrough in invigorating the mechanisms of enterprises, stepping up the construction of rural markets, and changing government functions; and 5) we should notably improve the economic and social environment and enable suburban people to realize initial affluence. Regarding this year's economy, he emphasized the efforts to surpass last year. The general targets are to accelerate the transit to the socialist market economy system, to open to the outside world in all directions more quickly, to facilitate economic restructuring, and to achieve a faster rate and better quality and efficiency in economic development. [passage omitted]

Comrade Chen Xitong said in his speech: This conference is very important. The standing committee of the municipal party committee has listened to the report of the agricultural department and discussed this year's rural work. The market economy system has yet to be fully established in suburban areas. Many difficulties and problems will arise during the transition from the production mechanisms established under the past planned economic system to the socialist market economy. It is hoped that suburban cadres and people will wholeheartedly usher in the transition, realize it with full confidence, and strive to shorten the time needed for the transition. This transition will bring new opportunities and possibilities for great development. Chen Xitong said: Sixty-two percent of Beijing's suburban areas are mountainous. Nearby suburbs and plain areas with better foundations and conditions have by and large attained or approached a fairly comfortable life, but remote mountainous areas still fall far behind. Therefore, leaders at all levels should attach great importance to and conduct study of the construction of mountainous areas. All trades and professions in the municipality should also continue their great support for the construction of mountainous areas and help them overcome difficulties and accelerate development. Township enterprises, as the pillar of the rural economy, should be developed further, and there will never be too high a rate in their development. As long as conditions permit, we should have the courage to develop the new projects and new products that meet market demand. Township enterprises in suburban areas should strive to expand their scale, improve their level, and achieve better efficiency. We should have specific plans to attend to this

work in a down-to-earth manner and create 100 key products and major projects first.

Chen Xitong emphasized: When developing the three types of foreign-funded enterprises and other work, we should never neglect agriculture, which is the foundation. Despite its steady increase in production, our suburban agriculture still lack competitive edges in the market and the capacity for sustained development. To comply with the market economy, we should bring the optimal-scale operation of agriculture to a new level and never let it remain at the current level. Only when we make the foundation—agriculture—more solid can we bring the suburban economy to a new level. [passage omitted]

Northeast Region

Liaoning Elects People's Congress Chairman

SK2603095793 Shenyang LIAONING RIBAO in Chinese 6 Mar 93 p 1

[Excerpts] On 4 and 5 March, the first session of the Eighth Liaoning Provincial People's Congress elected Quan Shuren chairman of the provincial people's congress standing committee and elected Yu Xiling, Feng Yousong, Bi Xizhen, Qi Zheng, Li Jun, Chen Suzhi (female, and Man nationality), Xu Tingsheng, and Gao Jizhong (listed by the order of the number of strokes in their surnames) as vice chairmen of the provincial People's Congress Standing Committee. [passage omitted]

On 4 March, the first session of the Eighth Liaoning Provincial People's Congress elected Yue Qifeng governor and Wen Shizhen, Xiao Zuofu (Man Nationality), Zhang Rongmao, Cong Zhenglong, Guo Tingbiao (Man Nationality), Gao Guozhu, and Zhang Rongming [1728 2827 2494] (female) vice governors.

On 3 March, the first session of the Eighth Liaoning Provincial People's Congress elected Zhang Huanwen president of the provincial higher people's court and elected Yang Yeqin (2799 2814 0530) chief procurator of the provincial people's procuratorate, whose appointment will be submitted to the Supreme People's Procuratorate and the National People's Congress for approval.

Activities of Liaoning Secretary Reported

Meets Hong Kong Group

SK2603133293 Shenyang LIAONING RIBAO in Chinese 11 Mar 93 p 1

[Text] On the afternoon of 9 March, Quan Shuren, secretary of the provincial party committee, met with Liang Xinchun, vice president of Hong Kong's TA KUNG PAO, and his entourage and held talks with them particularly on the issue of the "second pioneering work."

He said: At the just concluded first session of the eighth provincial people's congress, we have proposed efforts for carrying out the "second pioneering work" in Liaoning. We have actually started the "second pioneering work" since the third plenary session of the 11th party central committee. Our explicit proposal on carrying out the "second pioneering work" now has a major and essential substance. That is, we will seize the current excellent opportunity to revitalize Liaoning's economy and contribute to our country's modernization construction. The connotation of the "second pioneering work" mainly includes the following few aspects:

First, through the "second pioneering work," we will complete the transition from unitary planned economy to the market economy. This is a very arduous task. The old industrial base of Liaoning took its shape during the fifties, when we carried out the "first pioneering work." At the same time, we also formed a highly centralized unitary planned economic system. Therefore, it will not be easy for us to change the planned economic system into the socialist market economic system. Therefore, it needs a process for carrying out pioneering work through arduous efforts.

Second, the "second pioneering work" means that we will accelerate the transformation of the old industrial base, rejuvenate it, and speed up the pace of Liaoning's economic development. As all people know, many state-owned large and medium enterprises established during the fifties are outdated in equipment and technologically backward. Therefore, accelerating technological transformation, giving full play to the role of state-owned large and medium enterprises and building a modernized and new industrial base are the important tasks of the "second pioneering work."

Third, we will optimize the product mix and production set-up of the old industrial base through the "second pioneering work." Liaoning is an old industrial base with raw materials production and machinery processing as its main task and most of its products are primarily processed products. Now we will use modernized technology to arm this old industrial base and the enterprises and develop precision and intensively processed products in an effort to raise the additional value of products and raise the economic efficiency and the competitive ability of products on the market. Optimizing structure also includes the coordinated development of the primary, secondary and tertiary industries. Currently, our province has a fairly big proportion of the secondary industries enterprises and the development of the primary and tertiary industries are relatively backward. We will improve the relations of the primary, secondary and tertiary industries through the "second pioneering work."

Fourth, carrying out the "second pioneering work" means that we will accelerate the pace of opening up. We will learn foreign advanced management experiences and methods to raise the enterprise quality through using foreign capital, "grafting," and introducing foreign

advanced technology and funds and link Liaoning's economy with foreign markets as quickly as possible. Meanwhile, we will make good preparations for entering the GATT and enable Liaoning's economy to merge with the international big market in a better manner.

Quan Shuren said to Liang Xinchun: It is hoped that TA KUNG PAO will extensively publicize Liaoning's "second pioneering work" abroad and take advantage of TA KUNG PAO's influence overseas to let the world better understand Liaoning. Meanwhile, we welcome foreign businessmen to make further investment in Liaoning. We will provide convenient conditions for them.

Attends Forum in Beijing

SK2603095993 *Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 25 Mar 93*

[Text] On the afternoon of 25 March at the Liaoning Hotel of Beijing, the provincial party committee and government held a forum of veteran comrades who had ever worked in Liaoning and the responsible comrades who are now working at the organs of state power to solicit their opinions and suggestions on how to achieve Liaoning's second pioneering work.

Quan Shuren, secretary of the provincial party committee, chaired the forum. At the forum, Governor Yue Qifeng explained Liaoning's reform, opening up, and economic construction. In their speeches, the veteran comrades with a deep affection for Liaoning and the responsible comrades of the organs of state power sincerely hoped that Liaoning would grasp the favorable opportunities to speed up the pace of reform and opening up, to achieve the second pioneering work, and to restore Liaoning's prestige.

More than 40 people attended the forum. They were veteran comrades, including Gu Zhuoxin, Lu Zhengcao, Gao Yang, and Yang Yichen; and leading comrades, including Wen Wenyuan, Zhu Jiazhen, and (Yang Kuixue). Also present were Sun Qi, Peng Yousong, Zuo Kun, Chen Suzhi, Wen Shizhen, Liu Qingkui, Qi Zheng, and Gong Shiping; leading comrades of the provincial party committee, the provincial people's congress standing committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference.

Liaoning Develops Border Economic Zone

SK2603094693 *Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 25 Mar 93*

[Summary] The development and construction of the Dandong border economic cooperation zone has begun to take shape. The principal parts of the project for the export processing workshops of the zone have been completed. The commercial and trade centers and the tourist centers have begun construction.

This zone, occupying an area of 6.3 square km, was built with the approval of the State Council in November

1992. It enjoys the preferential policies just like the four border economic cooperation zones, including one in Heihe.

This zone has signed more than 20 agreements of intent on cooperation with Japan, Thailand, and Hong Kong.

Northwest Region

Gansu's Foreign-Invested Enterprises Increase

HK2303024093 *Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 17 Mar 93*

[Text] Following last year's big takeoff in the province's foreign-invested enterprises, this February alone 45 foreign-invested enterprises were set up with a total investment of \$54.78 million. This was the biggest increase in a single month since foreign-invested enterprises emerged in the province.

Since Comrade Deng Xiaoping's important remarks during his southern tour last year, the province's foreign-invested enterprises have changed the sluggishness of the previous decade and have multiplied in number. The number of registered foreign-invested enterprises increased from 36 at the end of 1991 to 822 at the end of last year. Moreover, the area of trades they engage in and the number of investor countries are expanding.

Ningxia Chairman Discusses Future Plans

OW2503011493 *Beijing XINHUA Domestic Service in Chinese 0217 GMT 24 Mar 93*

[Report on interview with Bai Lichen, chairman of the Ningxia Hui Autonomous Region, by reporter Wang Jinfu (3076 6855 4395); place and date not given]

[Text] Beijing, 24 Mar (XINHUA)—It seems very difficult to determine whether Ningxia's development environment is good or bad: It is said that "a small boat can turn around easily." Ningxia has an area of only 66,000 square km and a population of 4.8 million, but this tiny bit of land is situated inland in the northwest and is neither near the coast nor the border.

Although Ningxia possesses the best coal resources and the five kinds of "red, yellow, blue, white, and black" treasures in the country, the former are not fully exploited and shipped to other areas and the latter cannot be processed into fine products because of poor infrastructural facilities and a lack of funds, technology, and trained personnel. The Huang He flows through Ningxia, bringing agricultural prosperity to the plains around the great bend of the river. At the same time, however, it also has instilled the concept of "a small amount of wealth means stability" to the people of Ningxia.

"Ningxia's superiority is being exhausted by the deteriorating situation." The people of Ningxia are confronted with this undoubtable reality as the tide of opening up is

surging ahead in the coastal areas in the east and along the border areas in the west. The people of Ningxia have discovered that it has lagged behind too much amid the pincer attack by the tide of opening up from both sides.

Regarding this point, Bai Lichen, chairman of the Ningxia Hui Autonomous Region, disclosed his worries: "A strong sense of crisis is drawing close to us. There is only one exit for us: In the new round of reform and opening up, we must seize the opportunity, fully exploit Ningxia's advantages, and bring about development by leaps and bounds. Otherwise, Ningxia will certainly fall behind."

It needs courage to calmly face backwardness, but it will not do to rely on courage alone in rising up from backwardness. Quite aware of this, Bai Lichen said: "We must not sit around and wait to see what happens, nor should we rush headlong without making careful preparations. We must proceed from the reality in our region and follow our own path for invigorating Ningxia."

Where is the Ningxia path?

Bai Lichen noted that since the people of Ningxia had suffered enough from closing its doors to the outside world, the only choice now is to open to the outside world. Of course, in Ningxia—a small region with the combined characteristics of old revolutionary base areas, areas inhabited by minority nationalities, frontier areas, and poor areas—the investment environment is poor, thus in opening to the outside world, it is not possible to follow the examples of other provinces and regions in inviting investments on a large scale. In accordance with its specific environment, Ningxia has chosen "Ningxia-coastal areas-other countries"—the three-points, one-straight-line formula—as the strategy for making a breakthrough in opening to the outside world.

Bai Lichen explained the meaning of this formula: We will go from Ningxia to set up "window" enterprises in coastal areas and even in other countries. In other words, it is like borrowing a ship to sail out to sea and a piece of land to create wealth. At the same time, we will make use of information advantages in coastal areas and foreign countries to transform Ningxia's disadvantages of being situated inland and closed to the outside world and to vigorously develop transprovincial and transnational economic establishments, in order to sell local products on the international market.

This is certainly a path of launching an offensive on one's own initiative, which is aimed at making the best possible use of favorable conditions and avoiding the effects of unfavorable ones. What is gratifying is that in the past six months since this strategy was put into force, Ningxia, the land that has been closed to the outside world for many years, has begun to reap the benefits of opening to the outside world. The people of Ningxia have begun to enjoy the benefits. Bai Lichen said: By implementing this strategy, a pattern of comprehensive opening up in which various economic sectors are developing simultaneously and all trades and professions

participate in economic development has taken shape in Ningxia. In 1992, 84 projects directly invested by foreign businessmen were approved in the region, three times the total during the past 13 years. Some large- and medium-sized enterprises have, one after another, set up "window" enterprises in coastal areas and in other areas. By the end of 1992, nine enterprises had been set up in other areas, thus opening up a good prospect for developing Ningxia's export-oriented economy.

At this point, Bai Lichen became quite excited. This fellow, who was born and grew up on the black soil of the northeast and was promoted from the post of vice governor of Liaoning Province to the post of chairman of the Ningxia Autonomous Region, currently devotes all his attention to Ningxia, a land of yellow soil. He said that after listening to Premier Li Peng's government work report, he felt that it was not enough for Ningxia to make a breakthrough in establishing links with the coastal areas. Moreover, Ningxia should try to make a new breakthrough in border areas. A new plan is brewing in his mind: attracting enterprises in the coastal areas to invest and set up factories in Ningxia by making full use of Ningxia's rich resources and by taking advantage of the favorable conditions created by passage of the European-Asian continental bridge through Ningxia, and then marketing Ningxia's products to central Asia.

"Upon returning to Ningxia after the NPC session, we will begin to carry out this plan," Bai Lichen said at the end of the interview.

Xinjiang To Invest 1 Billion Yuan in Airport

OW0703153493 Beijing XINHUA in English 1505
GMT 7 Mar 93

[Text] Urumqi, March 7 (XINHUA)—The Xinjiang Uygur Autonomous Region has decided to invest a large sum of money in the basic construction of airports to improve air service.

According to Nie Shengli, director of the administration of Urumqi Civil Air Service, the total investment in the construction will be more than 1 billion yuan.

The major projects include reconstruction of Urumqi's International Airport, extension of the Kashgar Airport, and construction of Tacheng Airport as well as some supplementary airport facilities.

The first phase of the reconstruction of the Urumqi Airport, one of the key projects of the country in the Eighth Five-Year Plan (1991-95), has started. Land is being purchased and residents to be displaced are being resettled.

The project will cost 850 million yuan, and this year 300 million yuan will be invested in construction of a high-grade 3,600-meter runway, a waiting-room with a floor space of 45,000 square meters and 18 supplementary facilities.

The project is expected to be completed within five years.

The airport extension project at Kashgar and construction of Tacheng Airport are now under way and will be completed next year.

According to a plan formulated by the administration, Xinjiang will invest more than 1 million yuan in the construction of living and working facilities at major airports in the region.

It will also invest more than 80 million yuan in a Japanese-designed air route transformation project which will update the facilities for navigation control, meteorological observation and communications.

Fujian Establishes 'Direct' Links With Taiwan

HK2603051093 Beijing CHINA DAILY in English
26 Mar 93 p 1

[By staff reporter Wang Yong: "Fujian Will Straighten Links With Taiwanese"]

[Text] Southeast China's Fujian Province is pioneering direct aviation, mail and trade with Taiwan.

In fact, the province and Taiwan have already established links across the Taiwan Straits.

Governor Jia Qinglin said in Beijing yesterday that Xiamen and Mawei cities had established relationship with Taiwan's Kinmen and Matszu respectively.

His remarks cleared widespread speculations that any direct links would remain a dream.

"We're now pushing for such links between the whole province and Taiwan," Jia said.

He said the idea was backed by the central government, which wanted a peaceful reunification of the mainland and Taiwan.

Indirect trade between Fujian and Taiwan last year soared by 80 percent over 1991 to \$510 million.

Taiwan's promised investment in the province last year realized \$1 billion in 742 projects.

Taiwanese businesses have committed \$2.5 billion in 2,000 projects in the province.

Jia said new investment niches would be opened to Taiwanese businesses in his province.

"We're turning the southeast part of the province into a pace-setter of a market economy," he said.

The province rallies around the Xiamen Special Economic Zone, which could become the foremost haven for investors from Taiwan and other nations.

Fujian's labour export to Taiwan also experienced a boom last year, when about 4,000 fishermen from the province went to work on Taiwanese ships.

Fishing contracts between the two sides were worth \$12 million.

To embrace a full-swing direct trade between the mainland and Taiwan, Jia said his province was gathering pace in sprucing up its infrastructure.

New airports, including revamped military ones, would open soon.

"We welcome overseas investors to set up joint ventures airports," he said.

Fujian had been allowed by the central government to experiment in setting up joint-venture airlines with overseas capital.

Jia said trade between Taiwan and the province would rise this year as Fujian endeavoured to attract business moguls from overseas.

Taiwan has put a cap on investment by large Taiwanese businesses on the mainland.

Jia said the establishment of big businesses from Taiwan on the mainland was conducive to a peaceful reunification of the two sides.

Fujian's gross domestic product increase this year would outdo the 1992 figure by 21.7 percent.

Although that rate might cause transportation and raw material "bottlenecks," he said inflation would not rise.

Jia predicted that the province's inflation rate would be kept under 8 percent this year.

Wu Xueqian Meets Taiwan Business Delegation

OW2603005993 Beijing XINHUA Domestic Service in Chinese 1227 GMT 11 Mar 93

[Text] Beijing, 11 Mar (XINHUA)—Vice Premier Wu Xueqian met with a delegation from Taiwan's General Chamber of Young Businessmen at the Ziguang hall, Zhongnanhai this afternoon. He told the delegation that they are welcome to visit the mainland. He also had a cordial conversation with leader of the delegation and President of the Chamber Chen Xueliang, and the other nine members.

The delegation arrived on the mainland on 9 March at the invitation of the All-China Youth Federation.

Talks With Cultural Group

OW2503135093 Beijing XINHUA Domestic Service in Chinese 0747 GMT 15 Mar 93

[Text] Beijing, 15 Mar (XINHUA)—Vice Premier Wu Xueqian met with a cultural delegation from Taiwan today at the Ziguangge Hall of Zhongnanhai. The 21 members of the cultural delegation of the Great Alliance of Dr. Sun Yat-sen's Spirit, led by Yang Ruzhou, arrived in Beijing on 13 March at the invitation of the Alumni Association of the Huangpu Military Academy. The delegation is scheduled to leave Beijing for Taiwan on 18 March.

Taiwan Exchange Delegates Arrive in Beijing

OW2503150893 Beijing XINHUA in English 1453 GMT 25 Mar 93

[Text] Beijing, March 25 (XINHUA)—Hsu Hsei-yow, director of the legal services office of the Foundation for Exchanges Across the Taiwan Straits of Taiwan, and his party arrived here this afternoon.

The six-member delegation came for talks between the foundation's vice-chairman and secretary-general of the board of directors, and officials from the mainland's Association for Relations Across the Taiwan Straits.

The talks will be in preparation for a meeting between Wang Daohan, president of the mainland association, and Ku Chen-fu, chairman of the board of directors of the Taiwan foundation.

Hsu and his party are also to have working talks on issues including exchanges of mail and use of notary certificates of the two places.

Legislature Threatens To Cancel F-16 Deal*OW2603083793 Taipei CNA in English 0824 GMT
26 Mar 93*

[Text] Taipei, March 26 (CNA)—The Legislative Yuan in an uncompromising stance Thursday threatened to cancel the purchase of 150 F-16 jet fighters from the United States should it limit sale to the F-16 A/B models.

Five committees of the yuan in a joint session reached a resolution Thursday demanding that the government put an end to the US\$6 billion military deal if the MLU (Mid-Life Updates) project were forced to be suspended as reported.

The DEFENSE NEWS, an American weekly, reported in a recent issue that the U.S. Senate plans to cut short its budget to finance the MLU modernization project for the F-16 A/Bs now used by four European countries and those to be sold to the ROC.

The resolution stipulates that this nation should in no way shoulder the R&D spending alone, and should not accept the option of F-16 A/Bs, the old models repeatedly rejected by the nation before as they cannot meet Taiwan's defense demands into the next century.

The resolution pointed to the F-16 C/D as another option. The government should try to acquire the advanced F-16 C/Ds or turn to other nations, such as France, for a supply of high performance jet fighters, the resolution stated.

The Yuan also reiterated its previous conditional resolution on industrial offset credit, which demanded that the U.S. purchase Taiwan aircraft parts at least 10 percent of the total F-16 deal to help develop the nation's fledgling aerospace industry.

"The deal should be canceled if the U.S. insists on selling the old models and continues not to guarantee technology transfer to us," Kuomintang legislator Ting Shou-chung said.

Democratic Progressive Party legislator Chen Shui-lien further threatened to push for freezing the special budget set aside for the F-16 procurement during the next fiscal year.

In a related news development, National Defense Minister Sun Chen Thursday confirmed reports that the Air Force is considering leasing F-16 A&Bs from the U.S. The proposal is, however, still being evaluated, he emphasized.

The proposal calls for the leasing of a certain number of American F-16 A/Bs before the delivery of the 150 F-16s and 60 French Mirage 2000-5s.

Panel Seeks Advanced Fighters*OW2603042093 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
25 Mar 93*

[From the "Hookup" program]

[Excerpt] Defense Minister Sun Chen has pointed out that the Ministry of National Defense is considering leasing F-16A's and F-16B's from the United States to fill the gap in national air defense before the delivery of new fighter planes.

Meanwhile, the National Defense Committee of the Legislative Yuan held a close-door session yesterday [25 March] to discuss matters concerning preparatory funds needed to purchase F-16 fighter planes and other weapons. It was decided at the meeting that should changes occur in the intermediate development plan of the F-16 MLU's [Mid-Life Updates] [words indistinct], and if the Republic of China [ROC] is not ready to commit itself to the development plan, the government should rescind the purchase of this type of plane and request the United States supply F-16C's and F-16D's instead, or purchase more advanced planes from other countries.

Minister Sun Chen has indicated that the ROC Air Force still plans to make IDF's [indigenous defense fighters] and F-16MLU fighters the mainstay of the ROC's short-range air defense needs. He added that the Ministry of National Defense cannot confirm its position on whether the ROC will purchase additional Phantom-2000 fighters.

Legislators from both the ruling and opposition parties have already reached a common understanding that, if the administrative department and the military cannot come up with a rational explanation for the purchase and, in turn, merely accept whatever F-16 version the United States decides to sell, then it is very unlikely that the Legislative Yuan will approve the budget of more than 300 billion new Taiwan dollars for fighter planes. [passage omitted]

U.S. Trade Sanctions Could Hurt GATT Bid*OW2603084793 Taipei CNA in English 0809 GMT
26 Mar 93*

[Text] Taipei, March 26 (CNA)—Taiwan's bid to join the General Agreement on Tariffs and Trade (GATT) might be adversely affected if the United States imposes trade sanctions against Taiwan over disputes on intellectual property rights protection.

Economic Affairs Minister P. K. Chiang expressed the concern, saying that negative repercussions will follow once the American trade retaliation is provoked.

Sheu Ke-sheng, vice economic affairs minister, agreed with the view. The possible U.S. retaliation will give the

impression that Taiwan has not done enough to protect intellectual property, he said.

The vice minister represented this country at an economic consultation meeting with the United States in Washington, D. C. earlier this month.

No concrete agreements were reached during the talks. The American side threatened to invoke the Special 301 Provision of the U.S. Omnibus Trade Act to place Taiwan on a list of countries subject to trade sanctions.

Without strong support from the United States, Sheu said, Taiwan's accession to the GATT will face mounting difficulties.

Taiwan, which applied to enter the Geneva-based world trade regulating body in January 1990, was admitted as an observer last September. Official admission calls for the approval of more than two-thirds of the 108 GATT contracting parties.

Representative Offices Ease Visa Procedures

OW2603091293 Taipei CNA in English 0741 GMT
26 Mar 93

[Text] Taipei, March 26 (CNA)—Many foreign nations have recently taken steps to simplify visa application procedures for ROC [Republic of China] citizens, according to officials of the Foreign Ministry.

France, for instance, will authorize the French Institute in Taiwan (FIT) to directly issue tourist visas to ROC applicants beginning in June. Presently, only commercial visas are available for ROC citizens.

The Taipei Trade Office of Swiss Industries has been able to grant tourist, social visit and student visas for local applicants since February this year, the officials added.

Meanwhile, the Taipei Office of Swedish Trade Council has shortened the visa processing period for ROC citizens from four to three days in addition to cutting processing fee by a third.

The Chilean Trade Office in Taipei has also issued multiple visas to local applicants since January.

The moves by those foreign countries to simplify visa procedures for local citizens are expected to help promote trade, economic and tourist exchanges with the ROC, the officials said.

New Group for Cross-Strait Business Exchanges

OW2603091993 Taipei CNA in English 0747 GMT
26 Mar 93

[Text] Taipei, March 26 (CNA)—A commercial association for the promotion of civilian exchanges between Taiwan and Mainland China was set up yesterday.

The "Cross-Strait Trade Promotion Foundation," funded by the private sector in accordance with the government's national reunification guidelines, was formalized to promote non-governmental trading and cultural ties between the two sides and protect the interests of local businessmen on the mainland at a time when cross-strait activities are becoming more frequent.

Chang Ping-chao, former legislator and now chairman of Cheng Chung Book Co., Ltd., was chosen as the first chairman of the foundation at yesterday's board meeting. Also present were Shih Chi-ping, deputy secretary-general of the semi-official Straits Exchange Foundation, financial and mainland affairs officials as well as 17 leading business executives.

The newly established foundation said that NT [new Taiwan] \$6 million has so far been raised for its operation and that it will begin as early as possible in its charge to further help business exchanges.

Cross-Strait Groups on Document Verification

OW2603084193 Taipei CNA in English 0817 GMT
26 Mar 93

[Text] Peking, March 26 (CNA)—Delegates from the two sides of the Taiwan Strait began a new round of talks here Friday [26 March] morning on improving cross-strait postal services and on resolving disputes over recognition of legal documents.

The Taiwan delegation was headed by Hsu Hui-you, director of the legal service department of the Straits Exchange Foundation (SEF), while Li Yafei, director of the planning department of Peking's Association for Relations Across the Taiwan Straits (ARATS), led the mainland mission.

Hsu and five other SEF officials arrived in Peking Thursday evening for the talks. Hsu said upon his arrival that he hoped to achieve consensus with his mainland counterpart on the two issues before a draft agreement is signed.

"We are optimistic about the talks, but still we remain cautious since the two sides often see issues differently," Hsu noted.

Direct mail service does not exist between Taiwan and the mainland since the ROC Government bans official contact with Peking. As a result, all mail is sent via Hong Kong. In the course, registered mail is frequently lost and compensation for lost mail has become a thorny issue.

Furthermore, because neither government recognize the legitimacy of the other, they do not recognize each other's legal documents. Growing exchanges between the people on both sides have made it necessary to resolve this issue.

SEF and ARATS officials met twice last year to discuss solutions to the two problems, but failed to reach agreement on some technical details.

Currently, the differences center on several points, including which organizations should deal with inquiries on lost registered mail and make compensation claims, as well as what kinds of documents should be verified.

Taipei wants the SEF and the ARATS to be the two bodies to handle the registered mail issue, but Peking says it should be handled by postal authorities. On the document verification, Peking insists on limiting the service to documents regarding marriage, inheritance and adoption, while Taipei maintains the service should be available to any cross-strait exchange activities.

Hsu called on the mainland to be more flexible in order to facilitate reaching a consensus between the two sides and paving the way for the signing of a draft agreement in Peking by the SEF's Secretary-General Cheyne Chiu.

Economics Official To Visit Southern Africa

*OW2603093393 Taipei CNA in English 0744 GMT
26 Mar 93*

[Text] Taipei, March 26 (CNA)—Vice Economic Affairs Minister Li Shu-chiu will lead a trade delegation to southern Africa in mid-April to seek support for Taiwan's membership application to the General Agreement on Tariffs and Trade (GATT).

The delegation, to be composed of government officials and entrepreneurs, is scheduled to leave April 11 for a visit to South Africa, Zambia, Madagascar, and the island of Reunion.

The upcoming trip marks the first-ever visit by Taiwan officials to Madagascar and Reunion, both in the Indian Ocean.

Reunion, a French territory, boasts rich natural resources and duty-free exports to Europe.

Nuclear Plant Radiation Leak 'Serious Incident'

*OW 2603111893 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT 23
Mar 93*

[From the "Hookup" program]

[Text] The Atomic Energy Commission [AEC] initially confirmed yesterday that the excessive radiation leakage incident at Taiwan Power Company's [Taipower] No. 2 nuclear power plant is a serious incident that would be rated a grade-3 nuclear incident according to international grading standards. If judged by standards for violations at domestic nuclear plants, it would be a grade-1 radiation prevention violation in which derelict personnel's licenses could be revoked by the AEC. The AEC will reserve its decision, however, until it hears Taipower's explanation.

Personnel from AEC's Nuclear Energy Control and Radiation Prevention Sections met in an emergency session yesterday to rate the violation in the excessive radiation leak incident at the No. 2 nuclear power plant; this may serve as a basis for future disciplinary actions against Taipower personnel involved in the incident.

The AEC pointed out: The amount of radioactivity absorbed by [words indistinct] at the nuclear power plant was as high as 29.99 rem. Although his life is not in immediate danger, the incident clearly constitutes the most serious grade-1 violation according to the guidelines for dealing with violations at nuclear power plants. Present regulations stipulate that any radiation leakage that exposes a worker to 25 rem or higher is considered a very serious violation. The AEC indicated that according to the international grading system for nuclear incidents, an incident that causes radioactive contamination around the plant or subjects personnel to overexposure is considered a grade-3 serious incident. [Words indistinct] was exposed to 29.99 rem as a result of the excessive radiation leak, almost six times the annual legal limit of 5 rem. If rated according to international standards for nuclear incidents, this would be the highest rated incident that has ever occurred at a domestic nuclear power plant. The AEC indicated that it is international practice to report details of an excessive radiation leak that warrants a grade-3 rating according to international standards to the proper international channels for reference by other countries.

Hong Kong

'Random Talk' Criticizes Governor Patten

HK2603035893 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 26 Mar 93 p 5

["Random Talk on Taiwan, Hong Kong, and Macao" by He Nanren (0149 0589 0088): "What World Is Patten Living in?"]

[Text] According to a Hong Kong newspaper report on 20 March, Chris Patten, the last Hong Kong governor, made the following ridiculous remark when talking with reporters: "If some people think that they can change Britain's policy on Hong Kong by launching fierce assaults against the Hong Kong governor, these people do not know what world they are living in." Hong Kong's temperature is less than 30 degrees centigrade but has Mr. Governor become confused because of the hot weather? Otherwise, how could he talk such nonsense?

Here, we would like to ask Mr. Governor: What world do you think you are living in today? In previous years, people claimed that it was a world dominated by two superpowers. The two superpowers referred to the United States and the former Soviet Union, and Britain was not up to standard. If talking about the past, Britain once indeed occupied a dominant position. It is true that during the early part and middle of the last century, the "United Kingdom of Great Britain" went through a barbaric [e xing 1921 1840] period of expansion for quite some time. They sent armies and warships to all corners of the world, forcibly seizing colonies wherever they went. As a result, no matter whether it was in the western or eastern hemisphere, the sun was always shining on Britain's national flag. That was why the UK arrogantly called itself the "country where the sun never sets." During that period, Britain really considered itself "all-conquering" and better than everyone else in the world.

Though the good times were not too short, they did not last too long either. During the following years, the "United Kingdom of Great Britain" started going from bad to worse, year after year. Since the end of the World War II, Britain seems to have had too many problems to tackle and it has found the going increasingly tough. Apart from the fact that Britain's social system took the lead in attaining development and then took the lead in declining, one major cause has been the awakening of the oppressed people all over the world. More and more colonies, which had been exploited by the British for many years, broke away from Britain and become independent. The British governors sent to these colonies packed up and returned home, one after another. To Britain, that is what the world has meant for the past more than half a century.

Judging from Chris Patten's abovementioned impudent remark, we can see that this gentleman knows little about modern history and shows no understanding of the times. He still dreams old dreams by resting on the history from 100 years ago. We feel it necessary to

remind Mr. Governor: Today is neither the era of the Opium War nor the days when the Eight-Power Allied Forces entered Beijing, but one not far from the day on which you are to pack up and leave Hong Kong. As the saying goes, "a man leaves a name behind him." If you still hold on to your position and even attempt to lay seeds to harm the Hong Kong people before your departure you, as you said yourself, really "do not know what world you are living in."

Governor Patten 'Strangled' Chance of Talks

HK2603082493 Hong Kong WEN WEI PO in Chinese 26 Mar 93 p 2

[Editorial: "The Three Excuses for Un-termining Talks Do Not Hold Water"]

[Text] The doors to Sino-British talks have been closed by the British side. The Hong Kong Government has been continuously giving out information disclosing the "inside story on the talks" and misleading the citizens. At the 12 March meeting of the Legislative Council [Legco], Chris Patten further explained that the three reasons for "gazetted" were: 1) "the Chinese side still insists that Hong Kong officials have no right to have a say in the talks"; 2) the Chinese side has "suddenly" put forth "new preconditions" by not allowing Hong Kong Government officials to participate in the talks; and 3) by 12 March, "we still had not been informed about a date for talks."

These were deceitful remarks which fly in the face of facts. On 17 March, Lu Ping publicized details of Sino-British contacts at a news conference. The people of Hong Kong soon discovered that Chris Patten's reasons for "gazetting" his constitutional package did not hold water. Doubts were thus raised by the people of Hong Kong, who believe that Chris Patten has held back the facts in order to attain his ulterior goal of pushing Hong Kong's situation to a grimmer stage and sabotaging a steady transition. Personages from various social circles have asked: Is it true that the Chinese side did not allow Hong Kong officials to take part in the talks? Had the differences between the two sides been widened further, or had the stands of the two sides become closer by 11 March? Who gave the "ultimatum"? Did the Chinese side not really propose a date for talks? People in various circles demanded that Chris Patten tell the truth.

With a guilty conscience, Chris Patten refused to tell the truth. On the contrary, he told lies, and he tried to hold back the truth and mislead the public by making excuses.

Chris Patten declared that as the matter was urgent, it was impossible to postpone "gazetted" or it would be too late for Legco to discuss the draft package within the legislative year. People from Hong Kong society have pointed out that it was entirely possible and necessary to postpone "gazetted" for the sake of Sino-British cooperation and a steady transition. "Gazetted" had not only undermined the basis for talks but had also resulted in lost time.

To mislead the public, Chris Patten said that without "gazettal," arrangements for the 1994-95 elections could not be made in time. In fact, on 9 March, the British side had already set a deadline for diplomatic contacts between both sides, saying that it would make an announcement on the 12 March "gazettal" at a Legco meeting, which would be held on 11 March. This was deliberate sabotage of the talks and a step to closing the doors on talks. At that time, very good progress had been achieved on the talks. Differences between both sides had been reduced, and both countries had agreed to hold talks on the basis of conforming to the Sino-British Joint Declaration, the Basic Law, and the agreements and understandings reached between the two countries. Moreover, on the question concerning the capacity of those members participating in the talks, the Chinese side had expressed its readiness to take this into consideration and resolve the issue flexibly. Diplomatic consultations were very close to reaching a consensus. Even the British side released the following information: "We are optimistic about the progress of the talks." There was no reason at all to take action sabotaging talks at the last minute.

Chris Patten said on 11 March that the Chinese side had added some "new preconditions" by not allowing Hong Kong Government officials to take part in the talks. This was also a distortion of the facts, which is aimed at fabricating charges against China. Diplomatic contacts were first proposed by the British side. From the very beginning, the Chinese side emphasized that these were talks for resuming diplomatic reputations and that they were talks between two sovereign states—China and Britain. In accordance with legal principles, since the Sino-British Joint Declaration was signed by the two countries, it was natural that both should cooperate with each other in implementing the declaration. As the British side had gone back on its word on convergence of the constitutional system, it was natural that China should talk with the British Government. Annex II of the Joint Declaration also stipulates that matters on which there is disagreement in the Joint Liaison Group shall be referred to the two governments for solution through consultations. The issue of the constitutional system had been discussed by the Joint Liaison Group, but no results had ever emerged. Naturally, the matter should have been referred to the representatives of the two countries for solution through consultations. Any agreements reached in the future should also be signed by both sides—China and Britain. In legal principle, there was no reason at all that there should be three parties in the talks. Chris Patten has said that the Chinese side suddenly put forth "preconditions" on 11 March, not allowing Hong Kong government officials to participate in the talks. This was not true. The Chinese side agreed that Hong Kong officials should participate in the talks, but they could not become a third party because they are only working personnel of the British side. To solve this problem, on 11 March, the Chinese side proposed to reduce the number of representatives on each side from two to one and to treat the other participants as advisers

and experts. If the British side held it inconvenient to do so, it could consider not mentioning the capacity of the other participants. But on the morning of 12 March, the British side replied that the Hong Kong officials should participate in the talks in the capacity of members of the delegation or group, and that this decision was final and irrevocable. On the same afternoon, it announced "gazettal." Obviously, it was Chris Patten who destroyed the talks.

Chris Patten said groundlessly that the Chinese side had not proposed a date for the talks. This was also a lie. On 11 March, the Chinese side had already proposed to the British side in definite terms that talks could start during the middle or last 10 days of March if a bit more of the differences on the issue of the participants were resolved.

The fact that Chris Patten has concealed the facts precisely proves that the British side feels apprehensive because it is not on solid ground. Naturally, once the people of Hong Kong know the truth, they can easily judge which side lacks sincerity, which side has deliberately created trouble, and who has strangled [e sha 2108 3010] the talks.

Two More Local Organizations Criticize Governor

OW2603075793 Beijing XINHUA in English 0716
GMT 26 Mar 93

[Text] Hong Kong, March 26 (XINHUA)—Hong Kong's General Union of Ship-Making, Machinery, Iron and Steel, along with the Governmental Personnel Association, yesterday accused Governor Chris Patten of sabotaging stability and prosperity in Hong Kong.

The two organizations expressed support to the Chinese Government's stand and urged the British Government to return to the negotiating table to ensure a smooth transition in Hong Kong.

They noted that the Patten package on democratic reform violates the Sino-British joint declaration, the Basic Law and the mutual understandings reached between Britain and China on the political structure of Hong Kong after China resumes sovereignty over Hong Kong in 1997. The two groups warned Patten against doing harm to the interests of the Hong Kong people.

Former Governor May Join Beijing as Adviser

PM2403173493 London THE DAILY TELEGRAPH in English 24 Mar 93 p 15

[By Hugo Gurdon in Hong Kong and Graham Hutchings in Beijing: "Colonial Elder Offers To Help Beijing in Its Battle To Thwart Patten"]

[Text] A former acting Governor of Hong Kong has offered to help Beijing in its battle with Mr. Chris Patten. Sir David Akers-Jones, who took over for five months in 1986-87 after the death of Sir Edward Youde, is likely to be appointed next week to China's panel of Hong Kong advisers.

"Anything I can do to help improve relations between Hong Kong and China would be very helpful," he said yesterday. "I have a lot of information, not secret or confidential information, which I hope would be useful."

But the symbolism of a man knighted in 1985 being welcomed in Beijing as an opponent of Mr. Patten, the colony's Governor, may damage ties more than improve them.

Last year, China appointed 44 Hong Kong politicians, business people and professionals as advisers at an extravagant ceremony beneath the chandeliers of the Great Hall of the People.

Beijing is likely to adopt the same highly public procedure in April for a second batch of advisers, to be announced next week.

If so, Sir David and other appointees will arrive in black limousines to be greeted by President Jiang Zemin, the Communist Party General Secretary, and Li Peng, Prime Minister.

Sir David is not the first former civil servant to oppose Mr. Patten publicly but he is by far the most senior and, of symbolic significance, he is British.

Sir David, in the Far East since 1954 and in Hong Kong since 1957, is fluent in several Chinese dialects. Unlike many expatriate civil servants, who rarely venture off Hong Kong island, he lives among Chinese people in the rural New Territories.

Despite his mild manner, he endorses China's condemnation of Mr. Patten. In the most virulent anti-British propaganda campaign since the Cultural Revolution, Beijing has branded Mr. Patten a criminal and "false god". Sir David said: "Beijing's reaction to Mr. Patten is appropriate because if you deviate from previous agreements and assumptions then you don't line up with the post-1997 principles of the Basic Law (Hong Kong's constitution)."

He expects criticism for his pro-Beijing stance but rejects charges of disloyalty and says he is not operating a Washington-style revolving door, through which outgoing government officials rapidly return as lobbyists.

"After all," he said, "it is six years since I left the government. The link is now quite a long way away." It is six years since he held the top job, but it was only last week that he quit as head of the politically sensitive Housing Authority.

The Sino-British row has shaken other senior figures out of the government. Last month, Mr. John Chan, Education Secretary and front runner for the post of Chief Secretary, or deputy Governor, resigned suddenly for "personal reasons".

In the absence of any convincing explanation to the contrary, analysts think Mr. Chan made a tactical decision to go through a "delousing period" which would

expunge the taint of working with Mr. Patten and allow him to return as China's preferred candidate for chief executive after the takeover.

Mr. Allen Lee, leader of a pro-Beijing bloc of businessmen-politicians in the colony's parliament and who only last year was a member of Mr. Patten's Cabinet, last night accepted China's invitation to join the new batch of advisers.

The advisers are not paid, but most are already wealthy. Among them are Li Ka-shing, one of the world's richest men, and Sir Run Run Shaw, 85, the film magnate.

Sir David and the Hong Kong Business and Professionals Federation publicly rejected Mr. Patten reforms last November.

China vows to oust politicians elected under Mr. Patten's more democratic system. Sir David said: "It reduces the effectiveness of the legislature before 1997 if they are all going to be booted out of office. It calls into question almost every decision they take."

Beijing accused foreign powers of playing the "China card" to increase arms sales in Asia. Qian Qichen, Foreign Minister, said: "The Asia-Pacific region enjoys stability and dynamic economic growth, so it is unnecessary to have an arms race."

"But military expenditure in countries in this region is increasing. The reason is that, after the end of the Cold War, military industries cannot find a market, so they need to have new markets. So these people are shaping public opinion, saying that China poses a threat...and the situation in the Asia-Pacific region is tense."

Qian appeared to be responding to foreign press reports of a Chinese build-up that might soon enable Beijing to impose its will in the region. With U.S. power in Asia on the wane, some analysts believe China will fill the vacuum to the detriment of smaller neighbours. Qian cited figures showing China's per capita spending on the military was about 4 pounds compared with 780 pounds in America.

Analysts View Local Circulation of Renminbi

HK2603065293 Beijing ZHONGGUO XINWEN SHE
in Chinese 0551 GMT 25 Mar 93

["Highlights of Two Sessions" by staff reporters Lu Junjun (7120 8823 8823) and Zhou Jiannan (0719 1696 0589)]

[Text] Beijing, 25 Mar (ZHONGGUO XINWEN SHE)—The People's Bank of China [BOC] announced in early March that people will be allowed to take a limited amount of renminbi out of the country. Then, some shops and banks in Hong Kong indicated that customers could use renminbi to pay for goods or convert renminbi into local currency. What advantages and disadvantages will there be in circulation of the renminbi outside the mainland? ZHONGGUO XINWEN SHE interviewed a

number authoritative financial experts attending the "two sessions," and they all agreed that circulation of the renminbi outside the mainland was an inevitable result of the mainland's reform and opening. Advantages from circulation of the renminbi in Hong Kong outweigh the disadvantages, and the circulation of the renminbi in Hong Kong would not produce a negative impact on Hong Kong's economy.

Huang Diyan, vice chairman of the BOC board of directors and director of the BOC Hong Kong and Macao Administration, said that circulation of the renminbi outside the mainland will play a positive role in promoting reform and opening of the mainland's financial structure. He said that, at present, the renminbi circulates in Hong Kong only as a medium of exchange, and it is not a form of savings. Because people can bring only a limited amount of renminbi out of the mainland, the renminbi will not be used in large amounts in Hong Kong and will not have a substantial impact on Hong Kong's economy.

Tong Zengyin, vice governor of the BOC—the most authoritative banking institution in China—said that as economic and trade relations between the mainland and Hong Kong are getting closer and closer, the circulation of a small amount of renminbi in Hong Kong is rather normal.

He said that the stipulation that the renminbi cannot be brought out of the mainland is no longer suited to the needs of reform and opening. The new practice of allowing people to bring a limited amount of renminbi across the border is of dual significance. On the one hand, this makes it more convenient for overseas businessmen to invest and do business on the Chinese mainland and for foreign tourists. On the other hand, it is favorable to China's effort to develop trade with neighboring countries and regions and may promote the circulation of commodities. Tong Zengyin said that limits on the amount of renminbi carried across borders will be controlled by the BOC. He also revealed that the BOC can readjust the limit at any time according to developments in the situation.

Tong Zengyi said that circulation of the renminbi does not indicate that the renminbi has become a freely convertible currency. In the future, the renminbi will

eventually become a freely convertible currency, but this needs support from solid economic strength and solid foreign exchange reserves.

Zhao Haikuan, director of the BOC Monetary Research Institute, said that circulation of the renminbi outside of the mainland has three major advantages:

First, through circulation outside the mainland, we can exchange renminbi for corresponding amounts of foreign currencies to cover our expenditures in international economic exchanges.

Second, circulation of the renminbi outside the mainland will facilitate the circulation of commodities and provide a medium which is well-known, understood, and trusted by Chinese people for the international circulation of commodities. This will be conducive to the development of foreign trade. He said that this was conspicuous in Sino-Vietnamese and Sino-Russian border trade.

Third, circulation of the renminbi outside the mainland will enhance the creditability of the renminbi. In the long run, this is favorable to the stability of the value of the renminbi.

Pu Shouhai, senior adviser at the BOC International Monetary Research Institute, said also that the circulation of a modest amount of renminbi in the Hong Kong market will have no substantial impact on Hong Kong's financial markets.

When talking about the disadvantages, Pu Shouhai said that if renminbi circulates outside the mainland on an extensive scale, this could form a black market and cause certain losses to the state's foreign exchange income.

Zhao Haikuan expressed worries that after the renminbi is allowed to circulate outside the mainland forgeries could arise, so he said that the mainland authorities concerned must enhance their ability to authenticate banknotes and technology for guarding against forgeries.

As for whether the circulation of the renminbi in Hong Kong would affect the renminbi's value, Tong Zengyin said that such a phenomenon is related to the renminbi's dual exchange rate mechanism, but it will not last long. After the renminbi exchange rate is stabilized, this will be discontinued.

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